

[www.invenntluxe.com](http://www.invenntluxe.com)

# R&D tax credits

An introduction for Jewellery & Watchmakers

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# Introduction to Invennt Luxe

Invennt Luxe is the go-to consultant for R&D tax credit claims for businesses manufacturing and retailing luxury consumables. Together with a growing group of enterprising clients, the business is increasing the number of claims made by jewellers and watchmakers brands and transforming the face of innovation in the industry, by helping brands make use of tax incentives designed to encourage innovation and technological advancement in the UK economy.

Invennt Luxe is part of Invennt Group and the brand moved into the jewellery and timepieces market when it's work alongside engineering firms dealing with complex technical solutions led to a commission with a well known luxury brand. It quickly became apparent that much of the research and experimentation that occurs

in sectors that claim large amounts of R&D tax relief was also present in the watches and jewellery businesses, yet most simply weren't aware of the scheme.

The project led to a number of other successful claims with other similar businesses, and it quickly became plain that the unfamiliarity with the R&D tax credit scheme in the sector was holding it back.

Since then, Invennt Luxe has become the go-to consultant for R&D tax credit claims in the luxury sector, helping a growing number of enterprising clients, inject additional capital into their business and transforming the face of innovation in Britain's burgeoning luxury sector.





# R&D tax credits explained

Introduced by the UK Government in 2000, R&D Tax Credits are designed to encourage innovation by allowing businesses to reclaim some of the money they have spent on developing new – or improving existing – products, services and process.

## The opportunity for Jewellery and Watchmakers:



**Loss-making SMEs** can claim R&D Tax Credit repayment up to £33.35 for every £100 spent on qualifying R&D expenditure.



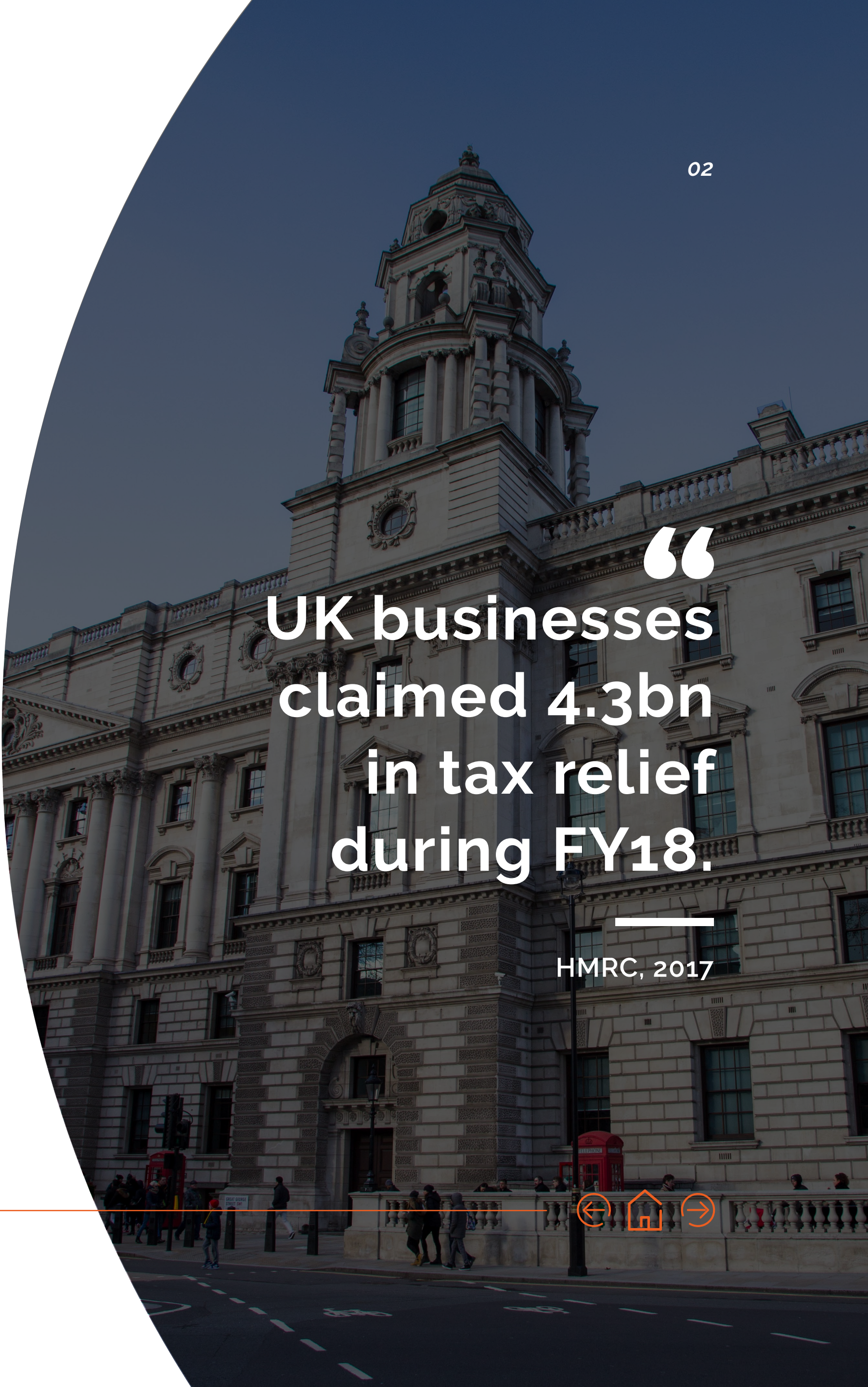
**Profit-making SMEs** can claim R&D Tax Relief which reduces their corporation tax bill by up to £24.7 for every £100.

Large companies can claim tax repayment of 9.7% of qualifying cost if profitable or 13% if unprofitable.



### HMRC define R&D as any project that seeks to:

- Extend overall knowledge or capability in a field of engineering or technology
- Create a process or service that extends knowledge or capability
- Make an appreciable improvement to an existing process, material, device or service in a new or improved way.
- Use science or technology to duplicate the effect of an existing process, material, device or service in a new/improved way.



“  
**UK businesses  
claimed 4.3bn  
in tax relief  
during FY18.**

—  
HMRC, 2017





# How is this relevant to jewellery and watches?

With intense global competition and pressure to keep costs low, the UK Jewellery and Watchmakers industry is fertile ground for research and development. If you create or develop new chemical formulations, ingredients, production processes, packaging or methods; alter existing recipes

and methods for new purposes; or adapt your recipes and packaging to suit client or supply chain demands then the likelihood is that you are undertaking R&D in the eyes of the tax man. Yet despite this, the UK Jewellery and Watchmakers industry continues to underclaim relative to

## Qualifying expenditure is comprehensive:

- Direct staff
- Indirect staff
- Software
- Material
- Academic research
- Subcontractors\*

*\*SMEs only*

Despite recent progress, the fashion industry (which includes jewellery and watches) continues to underclaim relative to its share of the economy.



The fashion industry's contribution to UK GDP



The fashion industry's share of claims



# The Invennt difference

## Don't put the cart before the horse

Unlike other tax credits, the R&D scheme requires significant technical knowledge as well as tax and accounting expertise to compile and formulate a compliant claim. Most companies that offer claims advice started out as accountants, so understandably they start with tax expertise and retrofit technical knowledge to their process. This means that frequently a tax accountant will write the claim and then have it checked by an expert in the relevant field.

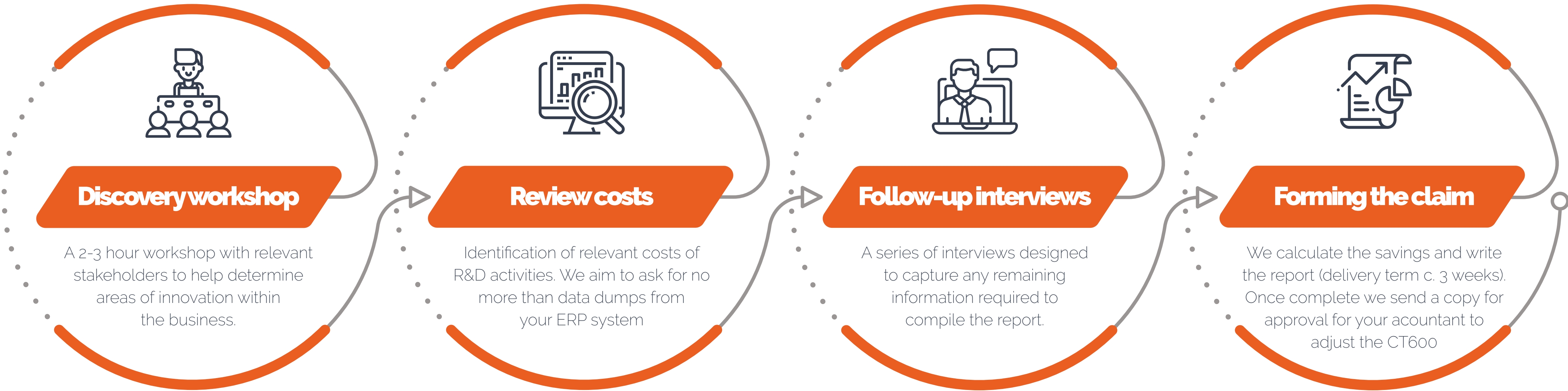
Conversely, we start with detailed practical knowledge of the Jewellery and Watchmakers industry and then apply tax expertise to ensure compliance with

the rules set out in the tax code. This may seem like a distinction without a difference but it is significant. To use an example, if you want to publish a book on watchmaking it's pretty important to have a publisher on board, but you wouldn't necessarily want them to write the chapter on the merits of composites versus alloys.

Similarly, if you're compiling an R&D tax credit claim its essential to understand the intricacies of the tax code but you won't get very far without people who really understand the technicalities and processes of the jewellery industry. That's why we have consciously assembled a team with skills in the relevant fields.



# Invennt claims process





# International reach

Our international reach enables us to apply best practice from multiple jurisdictions and offer a consistent international service for businesses operating in the United Kingdom, the Republic of Ireland and Canada.





# The Invennt difference

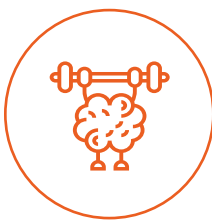
Invennt is the leader in R&D tax credits for the jewellery and watchmakers. Our customers choose us because of our unrivalled technical knowledge, streamlined claims process and track record of success.



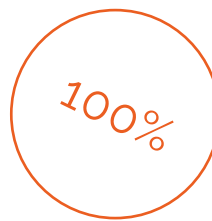
We have detailed contextual knowledge of the jewellery industry



We understand and can rapidly identify innovation in the sector



Our consultants do all the hard work and minimise the effort undertaken by internal teams



We have a 100% success rate and have never had a report rejected by HMRC



Our reports are endorsed by one of the UK's leading R&D tax credit specialists



We unlock innovation you didn't know existed to bring you lasting tangible value







# Thank you

If you would like to find out more visit [www.invenntluxe.com](http://www.invenntluxe.com)/or call +44(0) 203 286 9830

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