

DISTRIBUTION & LOGISTICS



Visit us at www.yes.tax

yes
TAX

Positively Better

DISTRIBUTION & LOGISTICS



ABOUT THIS SECTOR

Companies involved in distribution & logistics continually seek advanced technologies to improve timeliness of deliveries, reduce operating costs, track packages and to provide customers reliable delivery information in real time.

Companies in this industry are often engaged in developing advanced web-based software systems to improve their competitive position.

They may also develop sophisticated transportation methods, inventory monitoring, loading systems and data analysis technology.

There are vast opportunities for tax reliefs and incentives in this sector.

POTENTIAL R&D CLAIMS

On a daily basis, many companies are conducting qualifying R&D activities for R&D tax relief purposes in this sector, without even realising it. What may seem as typical day-to-day challenges in the office and field, may qualify. This can include developing new products, processes or services or duplicating existing products and processes in an appreciably improved way. The development does not have to be blue sky innovation, however, it is necessary for the company to demonstrate some kind of technical uncertainty in the work being undertaken.

Typically qualifying activities in this sector include but are not limited to;

- Developing a real-time software system for tracking the locations of packages.
- Developing an innovative software system for recognising and translating offshore import and export documents using optical character recognition.
- Using AI to monitor inventory levels and assess when new stock levels are required.
- Using robotic process automation to replace labour intense activity.



POTENTIAL PATENT BOX CLAIMS

Companies that hold patents could qualify for a reduced effective corporation tax rate of 10% on profits derived from those patents. Any company in this sector which does not hold a patent should be reviewing their technological developments to consider their eligibility to apply for a patent and benefit from the significantly reduced 10% tax rate.

The technical hurdle to apply for a patent is not as high as you may think. Similar to R&D tax relief, what may seem as typical technology in the office or field may be patentable and eligible for a 10% effective rate of tax.

Some examples of patents in this sector include but are not limited to;

- Systems and methods for the production, distribution, logistics and printing of lottery tickets.
- A system and method for enhancing distribution logistics and surveillance ranges with unmanned aerial vehicles.
- Advanced software systems for managing inventory at multiple storage locations.
- Time management systems.
- Drones and airfreight delivery systems.
- Software to allocate stock inventory.
- Optimisation of packaging sizes.

POTENTIAL CAPITAL ALLOWANCE CLAIMS

Capital allowances enable commercial property owners to obtain tax relief relating to capital expenditure embedded within their building.

Capital allowances on plant and machinery; such as computers and other office equipment will typically be claimed in the tax computation already.

However, many businesses in this sector are missing out on valuable capital allowances available not only on commercial property owned for years, but also on the;

- Acquisition
- Construction
- Refurbishment; or
- Extension of commercial property.

Typical items that qualify in commercial premises include; fire alarms, security installations, mechanical ventilations, electrical systems, heating, lighting, air conditioning, lifts, building work in connection with mechanical and electrical services, acoustic and thermal insulation, demountable partitions, strip out of plant and machinery during refurbishment works.

The value of capital allowances in office space is typically 20-40% of the purchase price, increasing to 65%-80% for office refurbishments. Of course, the extent of the opportunity depends on the level of the specification.

DON'T LOSE OUT!

The main reason allowances are missed on these properties is due to the lack of detail in the construction cost information provided by contractors. This information can consist of high-level work summaries which are very difficult for non-specialists to break down and segregate which can result in significant lost allowances.

Often, elements are missed in capital allowances claims such as demolitions, alterations and finishes. Also, professional fees associated with plant and machinery on which we are claiming capital allowances can be included, but are easily forgotten.

YES! THERE'S MORE!

In addition to this, there is a little-known capital allowances pool called Research and Development Allowances (RDA's). If it can be identified that the purpose of the expenditure on plant and machinery, buildings and IT equipment was for the purpose of R&D, 100% uncapped first year capital allowances can be claimed on this expenditure.





AGRICULTURE



ARCHITECTS



BIOTECHNOLOGY



CLOTHING & FASHION



CONSTRUCTION
INDUSTRY



COSMETICS
& SKINCARE



DIGITAL MEDIA
& GAMING



DISTRIBUTION
& LOGISTICS



ENERGY & UTILITIES



ENGINEERING



FOOD & DRINK



FOUNDRIES



INJECTION MOULDING,
PLASTICS & RUBBER



INSURANCE



MANUFACTURING



MARINE, AEROSPACE
& RAIL



MATERIALS
& CHEMICALS



MEDICAL DEVICES



PACKAGING



PHARMACEUTICALS
& HEALTHCARE



PRINTING



SECURITY, LIGHTING
AND ELECTRICAL



SOFTWARE & IT



TELECOMMUNICATIONS



TRAVEL SOFTWARE



WASTE MANAGEMENT
& RECYCLING



SAY YES!

Let YesTax unlock your hidden qualifying expenditure. We are approachable, proactive and productive.

Our qualified experts will arrange a no obligation call to outline the process and assess the extent of your opportunity – you just have to say **YES!**

NO SAVING, NO FEE – YES!

We're flexible, but typically we work on a contingent fee basis. Therefore, if YesTax is unable to identify any saving for you, there is no fee due!

Email us at: hello@yes.tax

Visit us at www.yes.tax

yes
TAX

Positively Better