

# TRAVEL SOFTWARE



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## ABOUT THIS SECTOR

The digital revolution has impacted almost everything in the world as we know it. For travel agents, this has been especially significant.

For many years, travel agency companies have developed sophisticated online tools and the level of innovation shows no signs of slowing. Travel brands have become smarter as consumer expectations rise.

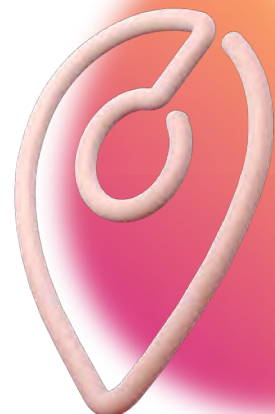
The next few years will see travellers requiring an increasingly personalised service, with companies able to suggest customised products to them based on their profiles and past behaviour.

## POTENTIAL R&D CLAIMS

Many companies are conducting qualifying R&D activities for R&D tax relief purposes in this sector on a daily basis without even realising it. What may seem as typical day-to-day challenges in the office and field may qualify. This may 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.

Typical qualifying activities within this sector include but are not limited to;

- Developing a platform that enables data to be automatically extracted from several sites and analysed using intelligent algorithms.
- Synchronising data from mobiles to central systems and ability to cache data where connectivity is not available.
- Development of dynamic pricing functions which link price to demand.
- Integrating legacy systems with modern technologies through the development of complex algorithms.
- Development of large, complex, multilayer databases which may also include the migration of legacy data.
- Integrating multiple disparate systems to operate seamlessly and efficiently.
- Development to comply with evolving regulations i.e. ATOL Certificates and GDPR.





## 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.

Although patents are not typically associated with software developments it is possible for patents to be granted where there is a real life impact resulting from the software's implementation.



## 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 desks, computers and telephones 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 offices 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, and the 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!

Allowances are often missed on these properties 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 and can result in significant lost allowances.

Typically, elements missed in the capital allowances claims include demolitions, alterations and finishes. Also, professional fees associated with plant and machinery on which we are claiming capital allowances are eligible, 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.



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## 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!

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