

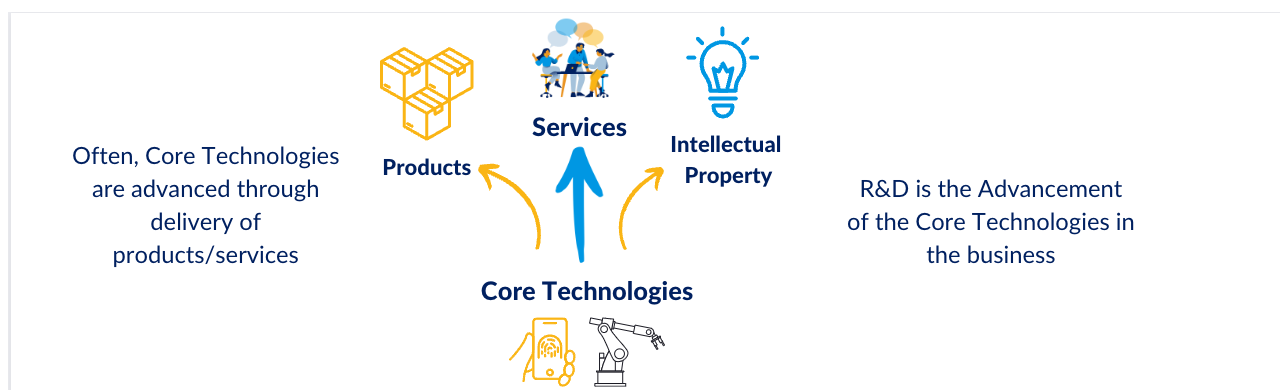
# Key Considerations when Accounting for R&D

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It is likely that your company (or client) is working with ReaDI-Watch to bring visibility & clarity to the Research & Experimental Development taking place in the business. Rather than focusing on the expenditure & resources spent rolling out products & services, ReaDI-Watch defines the R&D in the business as development that seeks to advance the Core Technologies in the business.

Please note that this classification is for internal company purposes only, as qualifying R&D for R&D tax credits may be a part of this, but not all R&D work in the company will be eligible as qualifying R&D.

So, as per the diagram below, how is R&D investment / expenditure accounted for in the company?



The article [Accounting for R&D and Innovation: Creating Value in your Company](#) will bring you further clarity on the questions outlined below.

Our goal here is to capture real-time R&D and Innovation data, such that accounting for R&D becomes as simple and clear as possible.

## Key Questions to be resolved on the ReaDI-Watch success journey:

- Is R&D accounted for in the delivery of products and services?
- Is R&D accounted for as an operating expense, and/or is it capitalized as an asset?
- How is R&D accounted for in the investor data vault / data room?
- Does IP directly generate profit for the business?