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UK Research Councils including Innovate UK spend around £3bn pa on supporting research. Here, we provide the first comprehensive assessment of these research grants on the performance of participating UK firms. Using data on funding and partnership from Gateway to Research on all funded projects by the UK Research Councils over the 2004-2016 period and business performance data from the Business Structures Database we have applied a difference-in-differences propensity score matching technique to evaluate the performance of UK firms who participated in publicly-funded research projects. Our analysis suggests four key conclusions. First, firms who participated in research projects funded by UK research councils grew their turnover and employment 5.8-6.0 per cent faster in the three years after the project, and 22.5-28.0 per cent faster in the six years after the project, than similar firms which did not receive support. Second, the impact of participating in projects is larger for firms in high-tech manufacturing and knowledge-intensive services. Third, we find evidence that the impact of participating in projects is larger for small firms and those with lower starting productivity (turnover per employee). Growth impacts on firms in the top quartile of the productivity distribution are small. Fourth, support for projects relevant to businesses is provided largely by EPSRC and Innovate UK. Participation in projects funded by these organisations increases both employment and turnover growth in the short and medium terms with only marginal differences in their impact. Our results have implications for the extent and targeting of future Research Council funding.