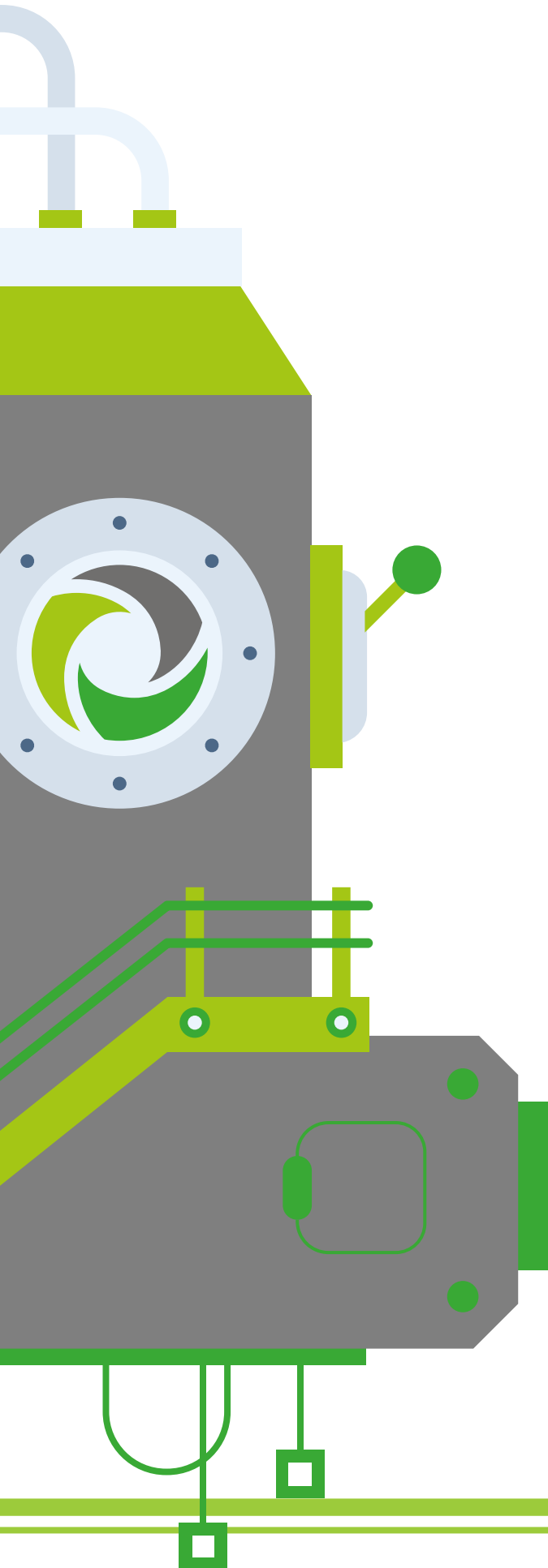


# RESEARCH AND DEVELOPMENT RELIEF (R&D)



Innovation 4  
Business



## WHAT IS R&D RELIEF?

Research and Development relief (R&D) is a tax credit that was introduced by the government in 2000 to encourage scientific and technological advancement and to reward businesses that invest in innovation across the United Kingdom.

For tax purposes, R&D takes place when a project seeks to achieve an advance in overall knowledge or capacity in a field of science or technology. However only 20% of eligible companies are claiming this relief, mainly because they do not believe they qualify.

## WHO CAN CLAIM R&D?

In order to claim R&D tax credits you need to be a limited company in the UK that is subject to Corporation Tax.

Your company must have carried out qualifying research and development activities and spent money on these projects.

# WHAT COUNTS AS R&D?

HMRC's criteria is purposefully broad. Whatever size or sector, if your company is taking a risk by attempting to 'resolve scientific or technological uncertainties' then you may be carrying out qualifying activity.

## This could include:

1.	Creating new products	4.	Changing or modifying an existing product
2.	Creating new processes	5.	Changing or modifying an existing process
3.	Creating new services	6.	Changing or modifying an existing service



**Even if your project was unsuccessful you may still qualify.**

**You can also include work undertaken for a client, as well as your own projects.**

# HOW MUCH IS THE AVERAGE R&D CLAIM?

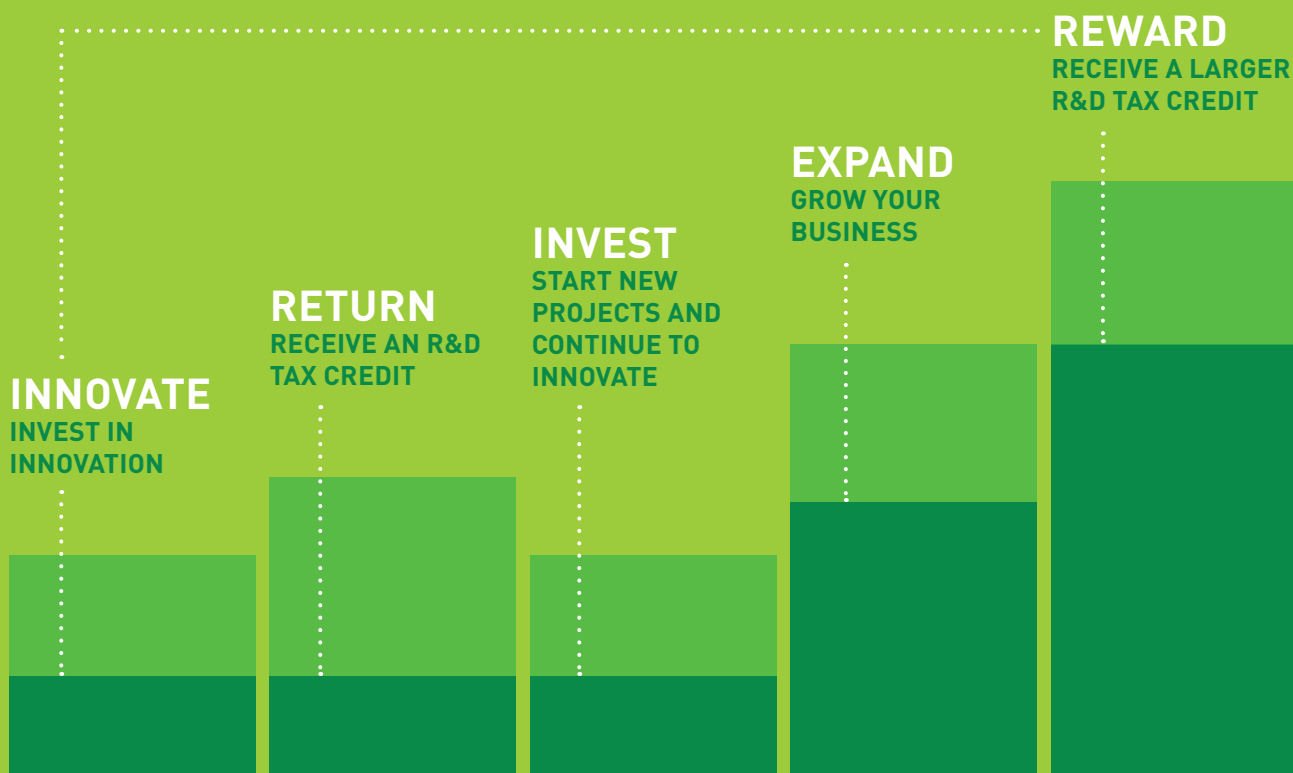
For successful projects, small to medium enterprises can claim back up to 33 pence in every £1 spend on qualifying activities relating to that project.

The average amount for a qualifying claim is currently approximately £53,000.

# WHY CLAIM R&D?

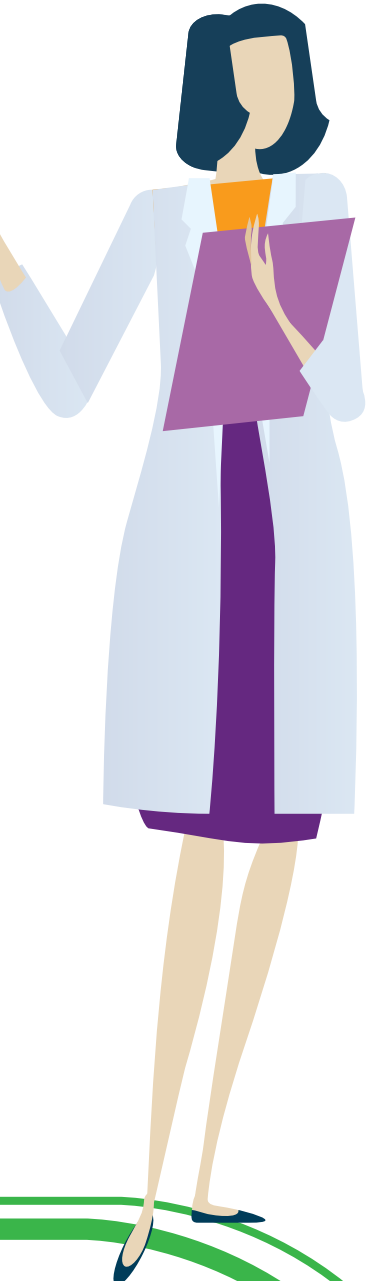







By applying for R&D tax relief this will offer your business innovation funding which will enable you to grow, invest and recruit.

The UK government benefits from increased productivity which is good news for UK businesses, and good news for the economy. Typically for every £1 that is paid out via the SME scheme this will generate £3 into the economy.



# IS YOUR COMPANY ELIGIBLE?

With 80% of companies still uncertain if they may qualify for R&D Tax relief, there are 7 simple questions you can ask yourself to find out if you could be eligible.

- 
-  Have you ever developed new products or processes?
  -  Have you changed the way you work within the last two years?
  -  Have you changed the materials you work with within the last two years?
  -  Have you adapted or modified an existing product or process within the last two years?
  -  Have you ever had to change your products or services due to regulations or accreditation?
  -  Have you developed your own IT system, or adapted an off-the-shelf solution?
  -  Have you ever attempted a project that undertook a risk element where the outcome was uncertain, resulted in failure or abortive work?

**If you have answered yes to any of the above questions, then you may be eligible to claim R&D Tax credits and we advise you get in touch for an initial assessment.**



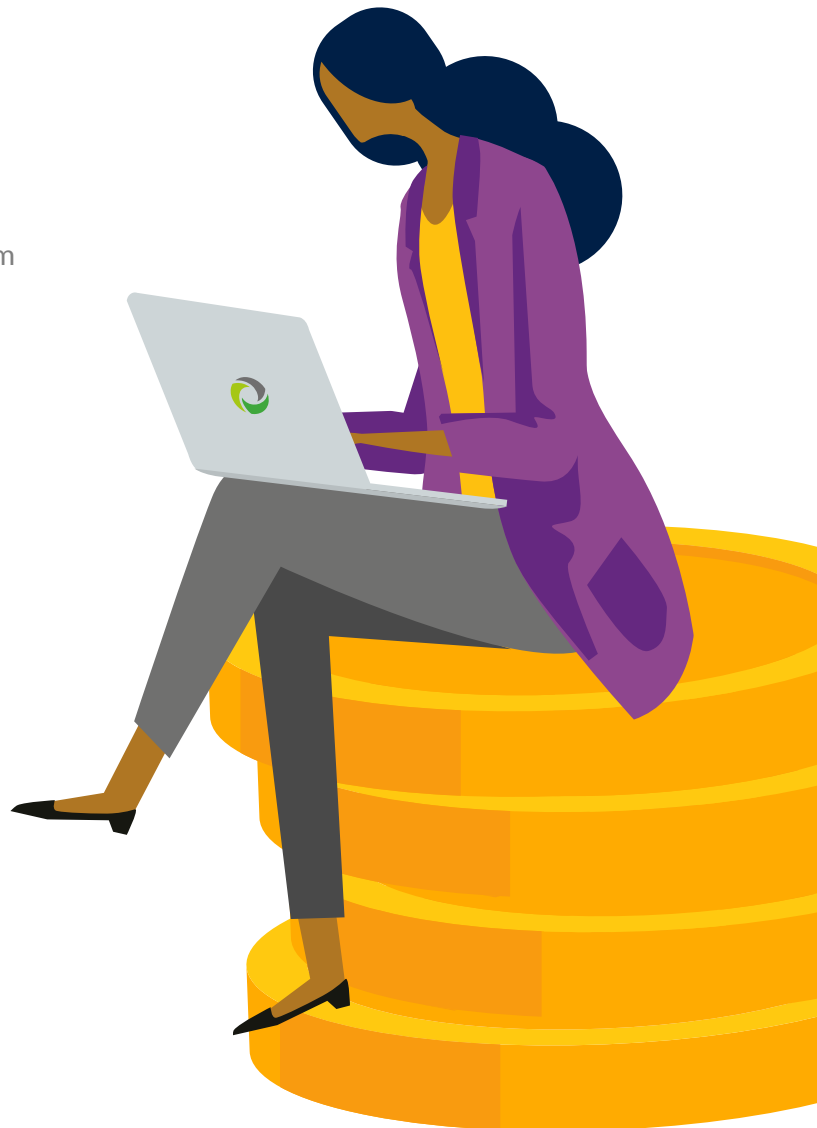
## CASE STUDY

Our client is a market leading data management consultancy company.

When preparing an R&D claim you can review the current two open financial years, therefore, when reviewing the 2017 accounts we were able to claim for £108,426 in R&D tax credits and in 2018 we claimed £148,830 in tax credits.

**That's a total  
£257,256 cash  
injection into  
the business!**

The client also now has the knowledge and idea of how much will be offset against future tax bills making it easier to focus on investment and company growth.



# OUR CLIENT JOURNEY

## WE DISCOVER YOUR QUALIFYING ACTIVITIES & COSTS

Our tax specialists will work directly with you and your team to maximise your claim by unearthing all your qualifying activities and costs. From this we build a tailor-made process bespoke to you and your business.

## RECEIVING YOUR R&D TAX CREDIT

HMRC refund the amount via BACS or tax credits and you get back exactly what you deserve from your investment in research and development.



### 1 INFORMATION GATHERING PROCESS

In order to claim R&D tax credits you need to be a limited company in the UK that is subject to Corporation Tax.

### 3 WE DEAL WITH HMRC ON YOUR BEHALF

We will submit your report, amend your Corporation Tax return (CT600) and deal with HMRC so you do not have to.

# WHAT ELSE CAN WE OFFER?



## PROPERTY INCORPORATION

Property Incorporation is the process of transferring interest in a property from a single name or partnership into a limited company, by assessing your property portfolio we can help to structure these correctly which can potentially result in significant tax savings.



## STAMP DUTY LAND TAX

Stamp Duty Land Tax (SDLT) is complex self-assessment tax, currently, 1 in 4 transactions are calculated incorrectly, we assist in reviewing both upcoming and historical property transactions to ensure the correct SDLT consideration is applied.

# MULTIPLE SOLUTIONS UNDER ONE ROOF

Innovation 4 Business are proud to be part of the Finance 4 Business group. This enables us to offer vertically integrated solutions across multiple specialist areas.



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