

Research & Development Tax Relief

Have you got a claim?

telecoms

A Product

internet

financial services

professional services

construction

An Idea

manufacturing

Eureka Moment...

A System

communications

automotive

environmental solutions

advertising

engineering

software

A Process

life science



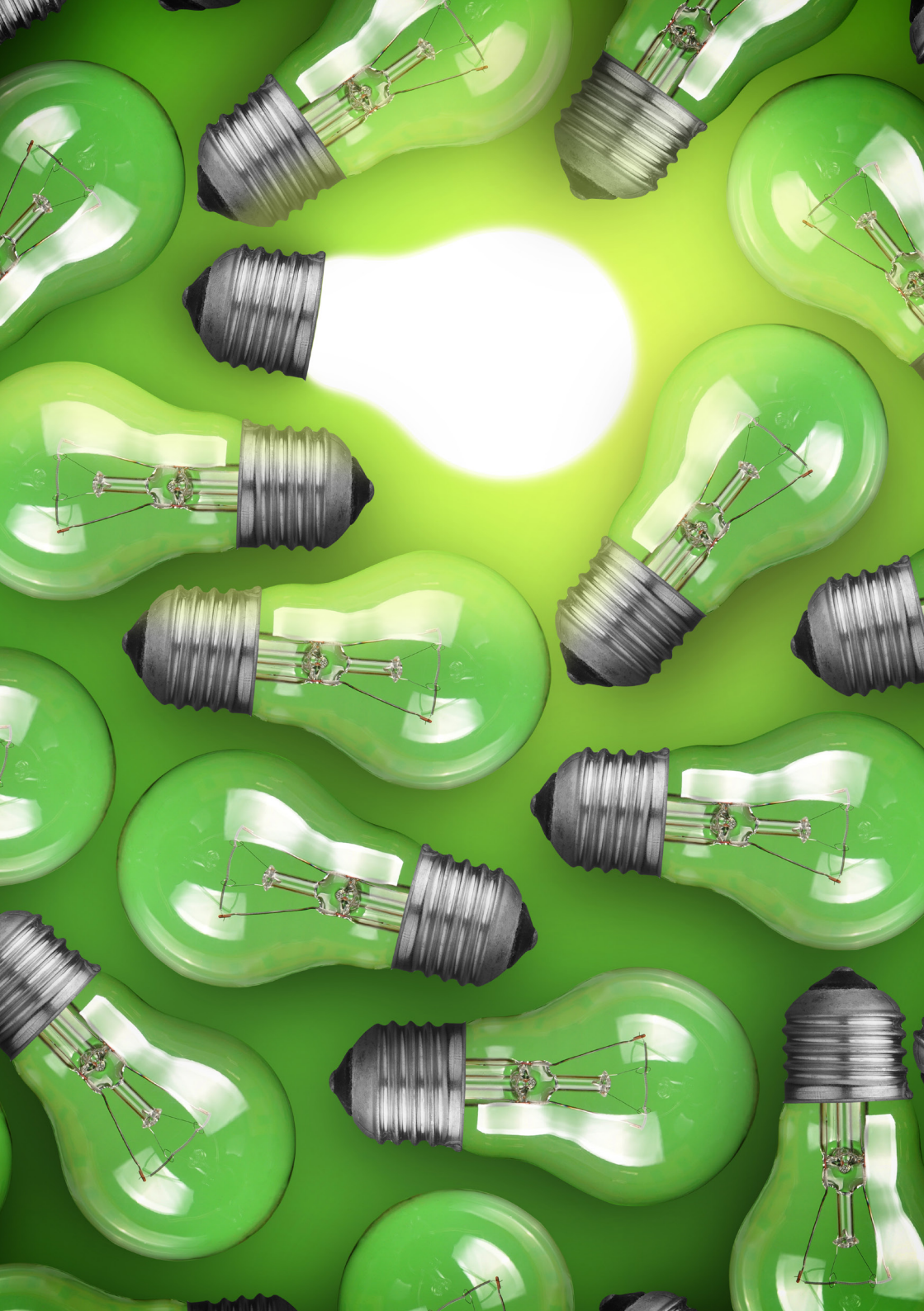
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Taxation

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What is R&D tax relief?

R&D tax credits are a valuable Government relief which Revenue & Customs are actively encouraging companies to claim across all sectors. It can deliver substantial reductions in your corporation tax payments or give you a cash injection if you are a loss making company.

If your company is involved in innovating, improving, developing, resolving or adding value to a process, product, device, material or service then it can qualify for R&D tax credits.

The R&D claim considers the time invested, including the obstacles you encounter, as you strive in the pursuit of business goals even if you don't achieve them.

A claim can be triggered from the moment you or your staff have an idea. So from the second you have a 'Eureka moment' you should start recording time spent on it!

If you can answer 'yes' to any of these questions then you may be eligible for R&D tax relief!

- ▲ 1. Have you developed your own software?
- ▲ 2. Have you improved a process or product?
- ▲ 3. Have you made any advances in science and/or technology?
- ▲ 4. Have you filed any patents?

The facts

- ▲ R&D tax relief covers companies in virtually every sector, including their support functions.

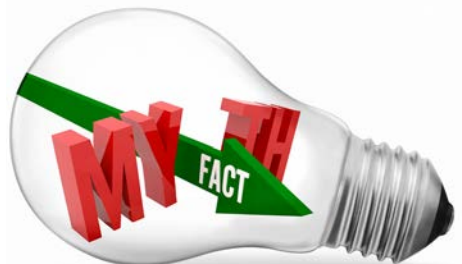
Here are just some...

- construction / advertising /
telecoms / financial services /
gambling / manufacturing /
energy / defence / life science /
software / internet /
communications / website /
databases / professional services

- ▲ To claim you must pay corporation tax and therefore must be a limited company
- ▲ The tax relief is open to both SMEs and Large corporates
- ▲ Even if your R&D project does not lead to a positive outcome you can still claim
- ▲ You can backdate a claim up to 2 years (or further in some cases) after the R&D has taken place

The myths

- ▲ Claiming is risky and may lead to broader tax investigations
- ▲ HMRC do not want claims to succeed so make it hard to qualify
- ▲ We need to own the IPR in order to claim
- ▲ We are too small to claim
- ▲ We are just subcontractors so can't claim
- ▲ We do not work in a lab!





Eligible costs

These can be apportioned to the R&D project to include (this is not an exhaustive list)...

- ▲ Staffing
- ▲ Materials, water, fuel, power
- ▲ Software directly used in the R&D
- ▲ Subcontracted out R&D activities

WHAT COULD IT BE WORTH TO YOUR BUSINESS?

In just the last 2 years we have reduced our clients' corporation tax liabilities by over £180,000 through making R&D claims.

Case studies

There is a misconception that only technical innovations and new product development qualifies for R&D tax relief. Here we look at potential claims for less obvious R&D projects.

- ▲ Company A were asked to install an energy efficient commercial power generator in a residential setting. This proved to be too noisy so R&D commenced to develop the generator to 'fit' within a residential setting
- ▲ Company B, working in the construction sector, created a software tool to manage site reports to help track requirements (e.g. safety tests) under Health and Safety legislation
- ▲ Company C, working in the renewable energy sector, were testing to find new ways of using different chemicals to create biofuel. Whilst their attempts proved unsuccessful they still had a claim for R&D tax relief
- ▲ Company D, a firm of architects, had developed software for use within their company to improve internal processes which qualified for R&D relief



Your next steps...

Often the activities are not obvious, but our trained experts can seek them out.

- ▲ 1) If you are in any doubt as to whether you have an R&D claim then meet with us and we will clarify your position. We will be able to confirm if any of the activity your business has undertaken, or is due to undertake, can be classified as R&D
- ▲ 2) Assuming there is a claim we will commence a technical write up to support your claim and establish the costs incurred by R&D and apportion this according to the claim
- ▲ 3) We will then submit your claim by preparing a full report to HMRC and will liaise with them until the completion of your claim

FOR MORE INFORMATION
AND TO SEE IF YOU CAN
CLAIM R&D TAX RELIEF
PLEASE CONTACT:

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