



R&D Tax Credits

The HMRC statistics show that as of June 2020, 55,950 SMEs made R&D claims for 2018-19 (around 93% are under the SME R&D scheme with the balance being RDEC). The average benefit is around £58,000. The number of SME claims rose 18% between 2016-17 and 2017-18. Many more businesses are doing R&D and could claim but still don't.

Is your company missing out?

RandDTax (www.randdtax.co.uk), the team of experienced R&D Tax Credit relief consultants, helps companies recognise, identify and scope qualifying research and development activity and complete successful R&D Tax Credit claims. We work with clients' existing accountants to ensure the best outcome for your business

Since September 2012, RandDTax consultants have helped more than 1350 companies achieve more than £154m benefit. At the outset many clients did not appreciate that their technology based development work or process improvements qualified – **they do now**.

Recognising and scoping R&D for Tax Credits requires detailed knowledge of HMRC guidelines and wide experience of making successful claims. RandDTax have that expertise and have a 100% track record of success. We know how to ensure that the maximum qualifying expenditure is identified and we take the burden away from a claiming company by writing a detailed technical justification that explains why their claims are valid to HMRC.

R&D Tax Credits can be claimed by limited SME companies investing in creating better products, processes, services, materials or devices. The top 3 claiming industries are Manufacturing, Information & Computing, and Professional, Scientific & Technical representing about 69% of the number of claims by SMEs. Example areas of development include software for online education, plastic injection moulding, industrial automation, electronics, media streaming, food & beverage and motorsport.

If a company is using **science or technology** to create an **advance** by doing something new or significantly improving something, while facing **uncertainty** about the outcome even though they are **competent** and carrying the financial **risk** of success, then they probably qualify. Companies are allowed to go back to financial years that end up to 2 years ago.

Many companies have been misadvised about their eligibility or don't believe that R&D Tax Credits can apply to them. The rules are complex, but the regime has become more generous with higher multiples and many previous barriers removed. For example, a qualifying R&D expenditure of £100K gives an enhanced total of £230K for tax purposes, which can save £24.7K in corporation tax (19%). A loss making a company can benefit from cash credits of 14.5% giving up to £33,350 cash credit in this case (depending on loss size). Qualifying costs can include staff, consumables, subcontractors, EPWs and other costs.

RandDTax fees are competitive, contingent on success, and we have a 100% claim success rate. Contact me and I can advise if your company is eligible for a tax reduction or a cash credit.

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