

WHY CONSTRUCTION COMPANIES are losing out on R&D tax credits payouts.

Why aren't companies in the construction sector claiming their fair share of R&D tax relief?

Latest figures from HMRC show that more than 21,865 SME claims and 4,385 large company claims were made across the UK totalling £2.9bn in tax relief.

INTRODUCED BY THE UK GOVERNMENT IN 2000, THE R&D TAX RELIEF SCHEME IS DESIGNED TO ENCOURAGE INNOVATION AND GLOBAL COMPETITIVENESS BY ALLOWING COMPANIES TO RECLAIM SOME OF THE MONEY INVESTED IN QUALIFYING R&D.

This money can then be used for everything from fuelling future growth to easing cashflow. It has been described as having your cake and eating it!

Many construction companies have made significant gains following successful applications to HMRC, but many more could realise returns, which can often be game-changing for smaller innovative concerns.

Sounds appealing, so why do so few construction companies make claims?

By far the biggest reason is the belief that they are not eligible because they do not carry out R&D however, this is in fact a wrong assumption. R&D can be found in a huge range of innovative engineering and materials companies which support the construction industry in the UK, including manufacturers of concrete, damp proof coursing, tanking, steelwork, render systems, insulation systems, cladding panels, glazing, fixings, glues and paints and more.





We were totally stunned at the amount claimed, we really couldn't believe it. The tax benefit has since allowed us to reinvest the money, buy new machinery and hire 2 new people. What a great result!

| ROD WAH
| MANAGING DIRECTOR
| BEVERSTON ENGINEERING



But you have to know where to look.

All of these products have to meet specific technical performance requirements and also comply with constantly changing legislation. Other areas of possible eligibility are in the construction and trialling of prototype homes that are more energy efficient and produce less CO₂, especially to meet ever-stricter standards.

Other activities that make companies eligible for R&D tax credits include increasing the durability and/or the lifespan of materials that protect the exterior of a building, enhancing the stability of products, for example, to reduce sun bleaching, improving the energy efficiency of systems used within a building, and developing alternative production or construction techniques to reduce the environmental impact of construction projects.

Developing more effective techniques for removing contaminants from land, or finding ways to remove new combinations of waste chemicals, as well as new construction techniques to create buildings that are more resistant to earthquakes, storms, and other acts of nature, are all activities which meet the eligibility criteria for R&D tax credits.

Too much hassle?

Many companies are aware of their eligibility for the scheme but can't face the hassle of putting a claim together themselves. Who can blame them? Wading through HMRC's 500 pages of complex definitions and criteria is time consuming and difficult enough, compounded by putting the claim together and the risk of getting it wrong and under or over claiming.

Others will have recognised their eligibility but found that the returns fell below their expectations. This is because, although accountants are important in the R&D tax relief process, they are not R&D tax relief specialists and therefore often concentrate too much on the financial side of the claim, forgetting about the technology that lies at the heart of a successful and robust claim.



Jumpstart delivered as we expected, especially on the technical front. I am going to continue recommending them as this is money that companies have the right to claim back.

| GRAEME KING
| MANAGING DIRECTOR
| HUGH KING & CO



Don't worry, be happy

The answer could be to work with an R&D tax relief expert like Jumpstart and follow the example of Severn Partnership, a leading provider of Surveying, Building Information Modelling and Visualisation services for infrastructure, whose words will ring true with many a construction business leader. "Before talking to Jumpstart we didn't realise we could claim tax relief on failed R&D projects. This is encouraging us to execute even more innovative ideas, knowing that we can make a claim." says MD Mark Combes. "We would recommend Jumpstart to other businesses. They are a professional organisation with experienced, well trained and qualified people who know how to convert your R&D into a tax credit claim making your future more sustainable."

However you decide to proceed, whether going it alone or with the helping hand of a specialist, be sure to give R&D tax relief a second thought. Because you've nothing to lose and everything to gain.

For a free R&D tax credit consultation and analysis of the potential returns you might expect from your projects, contact the Jumpstart team

There is no substitute for experience and expertise. Experience gained through years of daily involvement in putting together thousands of successful R&D tax claims. Expertise built through a detailed programme of training and study, maintained and regularly enhanced.

JUMPSTART YOUR R&D TAX CLAIM TODAY.

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