

## FACT OR FICTION?

### Why R&D tax relief is a great opportunity for engineering companies.

Going by the number of engineering companies making the most of it, the R&D tax relief scheme seems to be one of most generous government incentives.

Those who have already reclaimed money from HMRC, can use the benefit to fund technical challenges and develop new prototypes or invest in new operational systems and processes. A big advantage in such a brutally competitive global market!

Whether it's through a lack of awareness of the scheme itself, confusion around eligibility criteria or fears about the complexity of applying, many UK engineering companies are still missing out on this opportunity to get something back.

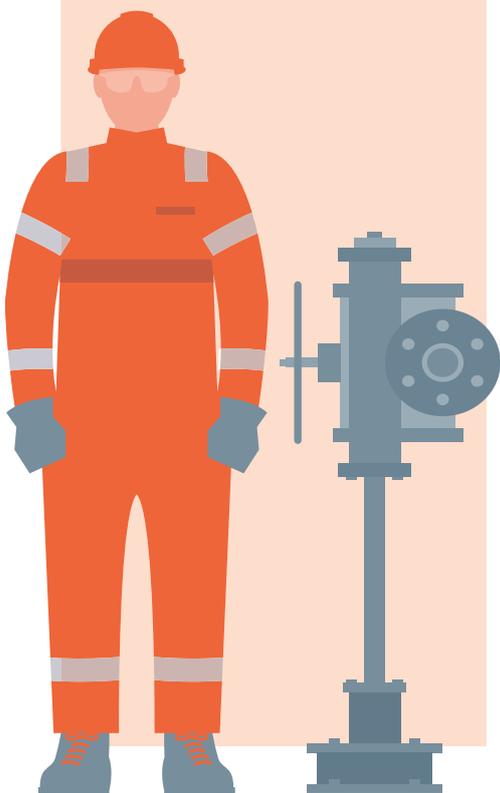
WE'VE THEREFORE PRODUCED THIS HANDY GUIDE TO HELP SEPARATE FACT FROM FICTION AND, HOPEFULLY, ENCOURAGE MORE ENGINEERING COMPANIES TO CLAIM WHAT'S RIGHTFULLY THEIRS.

#### **FACT #1** - The R&D tax relief scheme was developed to reward innovation

That's it in a nutshell and no, there isn't any catch. The R&D tax relief scheme was designed to stimulate innovative activity within the UK. So, as long as you're doing R&D, you can claim the benefits.

#### **FACT #2** - The greater your R&D spend, the greater the returns

The scheme works by 'enhancing' the money spent on R&D and using this enhanced figure to offset profits, reducing your corporation tax liability. Loss-making SMEs and Large Companies too can choose to receive their benefit as a cash credit. What you get back depends on what you put in, with many companies looking at substantial returns.





*To get the maximum out of your R&D tax claim it is essential to have technical people who really understand what you do and are able to articulate it to HMRC. With Jumpstart there is no risk involved. They created value for our business with minimal fuss and effort.*

| ANGELA MATHIS,  
| CEO  
| THINKTANK MATHS LTD



### **FACT #3** – This is money that can be used to offset future R&D costs

---

A successful R&D tax relief claim provides tangible evidence that the time and effort invested in R&D is worthwhile. This, in turn, encourages the development of a corporate philosophy that embraces innovation and improvement, enabling new research projects to be funded. This benefits everyone, since the claiming companies stay ahead of the competition and increase their value, while the UK as a whole maintains its status as a world leader in innovation.

### **FICTION #1** – R&D always requires a lab full of people in white coats

---

R&D has played a pivotal role in reinvigorating the engineering industry, with companies engaged in a constant effort to improve their products – whether that’s by making them lighter, faster, smaller or bigger. Your company may be eligible for R&D tax relief if you’ve carried out any projects involving prototyping or development and experimentation with materials and physical production processes.

### **FICTION #2** – Claiming is time-consuming and laborious

---

To the uninitiated, the complexity of the claim process can prove to be a hurdle too far. The best way to overcome this is to use a specialist – someone who prepares claims on a daily basis, keeps abreast of the latest interpretation of the legislation and has a strong and proactive relationship with HMRC. At Jumpstart, we do all the hard work so you don’t have to.

### **FICTION #3** – Claiming R&D tax relief is more about financial than technical knowledge

---

Yes, accountants may be the experts at maximising the tax benefits associated with identified R&D expenditure, but it’s R&D tax relief specialists who are the experts when it comes to understanding HMRC’s guidelines, using these to extract the technical details of your R&D and explaining it in a language that HMRC understands.



*I don't know an accountant who can visit our plants and identify such R&D detail. With the technical expertise of Jumpstart we saw a massive increase in the money returned for the R&D we had invested in and, now that we have seen what HMRC considers eligible expenditure, I hope our future claims with will be every bit as strong.*

| JAMES S MILNE CBE DL  
HON DBA DHC  
| CHAIRMAN  
| BALMORAL COMTEC LTD



## Jumpstart's approach delivers markedly better returns in three main areas:

**CLAIM SIZE:** Typically, a technology-based approach results in larger claim sizes. By investing our time in your technical staff, we're able to identify projects you may have overlooked and so justify greater R&D expenditure for your company.

**CLAIM SUCCESS:** Jumpstart has a strong and proactive relationship with HMRC's R&D Units. Where questions arise, we deal with them promptly and courteously, helping to maintain our extremely high success rate.

**CLAIM DEFENCE:** In the unlikely event that HMRC's tax inspectors start asking more challenging questions about your claim, it's comforting to know you have a team of PhDs and MScs at Jumpstart ready to argue the science of your case for you.

Now that you know the truth about R&D tax relief, isn't it about time you joined other engineering companies in securing your share of £16.5bn of tax relief claimed since the start of the scheme?

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.**

[www.jumpstartuk.co.uk](http://www.jumpstartuk.co.uk)

T 0370 218 7506

E [helpinghand@jumpstartuk.co.uk](mailto:helpinghand@jumpstartuk.co.uk)