

TIPS FOR SUCCESSFUL R&D TAX CLAIMS for wave and tidal energy companies.

You are probably already aware that R&D tax credits are a reliable way to finance further growth for your wave and tidal energy business. And you're not alone!

Year on year, as more businesses become aware of their eligibility, the number of R&D tax credit claims is steadily increasing.

IN A REPORT PUBLISHED LAST YEAR IT WAS REVEALED THAT 19% MORE UK COMPANIES HAD CLAIMED R&D TAX CREDITS IN THE YEAR TO MARCH 2016, COMPARED TO THE PREVIOUS YEAR.

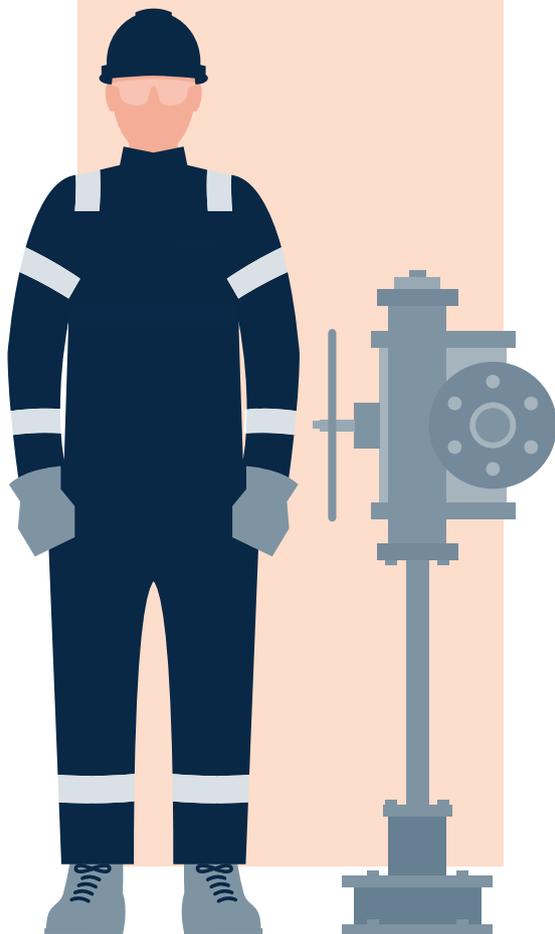
Claiming for R&D tax credits is complicated, however. You also need to know what technical and legislation information to include and be aware of any potential advances involved. Without all this, you're risking submitting an inaccurate claim and attract undue attention from HMRC.

Fear not, we're here to help!

One of the top pitfalls to avoid when submitting an R&D tax credit claim relates to **SUBCONTRACTING**, and the relationships, contracts and expectations that exist between companies involved in the work.

Under the current legislation, product development that's outsourced to subcontractors or partners can be claimed for within your own R&D tax relief claim, but only depending on your company size. This can be of particular interest to smaller companies for whom partnering and pooling resources is crucial.

One dangerous preconception that some companies have is "We paid for this whole development, therefore it's our R&D." The truth can be more complex. Some companies do indeed commission a piece of work, but do not themselves have the 'competent professionals' who would be able to recognise when R&D (as defined by HMRC) starts and ends - or even if it exists at all.





The R&D claim process was completely new to us and our position was complicated due to a variety of external funding streams used to support our research activities.

However Jumpstart were able to provide sound technical insight into our projects, securing successful submissions to HMRC.

| MATTHEW FINN
| SENIOR BUSINESS
DEVELOPMENT MANAGER
| EMEC



Without competent professionals directing the work – and in particular the resolution of technical challenges that may arise in the project – it can be hard to argue this as R&D. More likely, HMRC would argue that the company was simply setting a specification for another company to implement, as opposed to defining a piece of subcontracted R&D.

The upshot is that while claims can be disarmingly simple to submit, they can be bafflingly complex to submit **SUCCESSFULLY** if you fall into the trap of making one or more of the mistakes mentioned here. (And as HMRC continues to improve its policing of the scheme, mistakes will be caught more often and with greater financial consequences for applicants).

With this in mind, it can pay dividends to take advice from a reputable technical and legislative specialist like Jumpstart before preparing and submitting your claim.

As your GP would say, ‘Prevention is better than cure!’, and engaging the right company early on will almost certainly minimise the risk and time involved in your claim.

Talk to Jumpstart – To arrange a free consultation to discuss your own R&D tax relief specific circumstances, to identify how we can work with your team to improve the claim process and realise greater value for your business, 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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