

THE BENEFITS OF TAKING R&D tax relief advice

So you're thinking about making a claim for R&D tax credits, but you're not sure whether to go it alone or seek specialist advice, and who from. Here are a few points to consider.

GOING SOLO

Okay, first things first, there are three key stages to the process:

- 1** Identifying which of your technical activities are eligible
- 2** Quantifying eligible expenditure in line with the legislation
- 3** Submitting the claim and managing any queries from HMRC

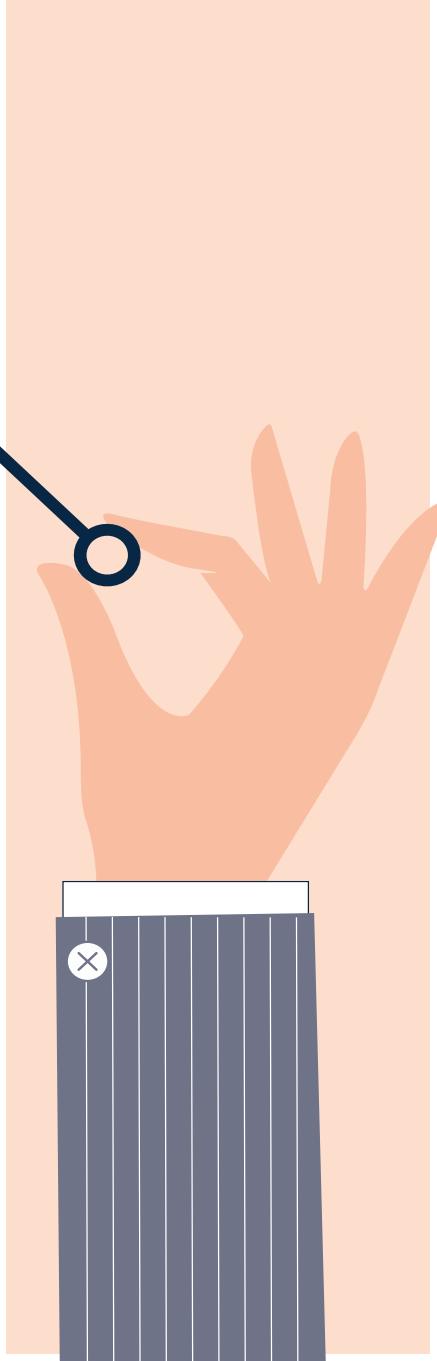
Naturally, you'll want to submit your claim in the most time-efficient and beneficial way possible for the company, but that's easier said than done.

Time Consuming?

Often companies make sizeable claims, but in the process invest far too much time on unnecessary detail and overly-comprehensive documentation. Once these internal costs have all been accounted for, they realise that they could have spent the time more profitably elsewhere.

Inaccurate?

At the other end of the spectrum are those companies who skimp on claim preparation time, but hope that they'll still have done enough to claim the 'lion's share'. This can lead to cases where the claim is far smaller than it should be, so you end up losing out on a substantial portion of what you're entitled to. Or, if the claim seems relatively large for the size of company, but with not enough supporting detail, this can act like a red rag to a bull for HMRC's specialist R&D inspectors.



GG

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

“

ONE FOR THE ACCOUNTANT?

Of those companies who decide not to go it alone, many make the common mistake of thinking that just because it has 'tax' in the title, R&D tax credits is an area best left to their accountant. Unfortunately, that's not the case. An accurate claim requires more than just knowledge of the scheme.

So, while an accountant will be more than competent in dealing with general aspects of a company's finances, very few have the technical knowledge to confidently converse with your technical staff in order to identify and quantify eligible activities and expenditures.

The benefits of outsourcing to specialist consultancies

Given how complex and time-consuming – but also financially rewarding – R&D tax relief can be, it pays to work with a true specialist, who employs knowledgeable and experienced people. Doing so will almost certainly minimise your time and effort, while maximising the claim value.

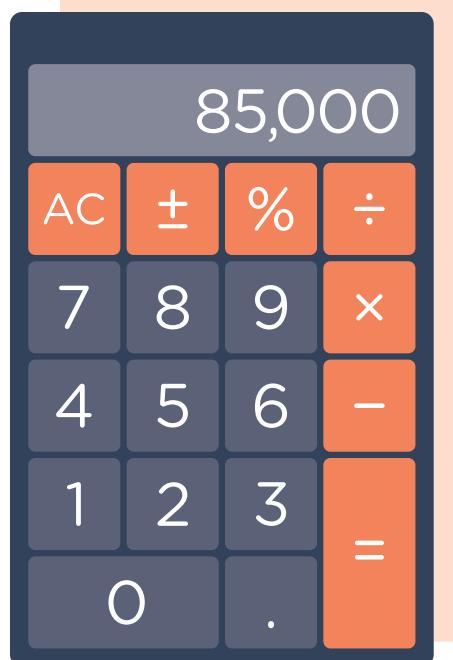
All that's left to do is decide which specialist to use, since not all R&D tax advisers provide the same level of service and support. Each has their own approach, which can have a profound impact on the final outcome.

CHOOSING AN ADVISER

When selecting an adviser, companies should ask the following important questions:

1

Be sure to ask about track record, and the training and credentials of the people who'll be representing you to HMRC. All will position themselves as 'experts', but only a few will routinely complete enough claims each year to justify the title 'specialist'. While it can be tempting to choose the cheapest rate going, the savings will be negated if your own staff are expected to: identify all the eligible expenditures without sufficient guidance; write the majority of the justification documents; and, if your claim does prompt an investigation due to errors or, even worse, misrepresentations of your activities – defend your position.

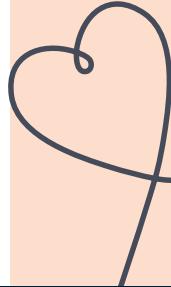




I was aware of the R&D tax scheme, however I quickly realised that this was a complex area and I was therefore hugely appreciative when our accountant introduced us to Jumpstart. As an engineer, I valued the fact that the Technical Analyst was able to grasp the nature of our business and translate that into a robust technical report for HMRC.

TONY SNOW
MANAGING DIRECTOR
LOADPOINT BEARINGS

“



- 2** Does the service provider understand the technical aspects of your R&D activity, and its scientific context? Properly trained and technically-qualified consultants will not only understand the technical complexities of your R&D activity and associated processes, but will also be able to add to the discussion and analysis, and provide a detailed objective assessment of the level of eligibility in identified activities.
- 3** Crucially, companies should ask where the ultimate responsibility for a claim lies. Most accountants, for example, because of their lack of technical understanding, will require you to write the technical document that supports your claim. Consequently, the responsibility for both the accuracy and validity of the claim will rest with you. The right advisory firm will take full responsibility for writing the report and therefore its content.
- 4** Finally, will the adviser field and answer any technical questions from HMRC? While queries about your claim aren't necessarily a bad sign, answering them can be time-consuming and distracting. By choosing an advisory service with technical expertise, this part of the process – along with the vast majority of the rest of the claim – can effectively be outsourced to the experts.

SO, YES, THE BENEFITS OF SEEKING R&D TAX ADVICE FROM A SPECIALIST MAY BE OBVIOUS; THE TRICK IS FINDING THE RIGHT ONE!

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.

www.jumpstartuk.co.uk

T 0333 331 4979

E helpinghand@jumpstartuk.co.uk