

R&D Tax Relief in Aerospace and Defence

We've learnt a thing or ten while successfully completing over 4,300 R&D tax credit claims, which we're happy to share with you here.

In this booklet you'll find some information on:

- R&D in Aerospace.
- Potential areas of eligibility for R&D tax credits.
- The everyday challenges that might make you eligible.
- Eligibility questionnaire.
- Why Jumpstart?



R&D Tax Relief in...

Aerospace & Defence

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 research and development. R&D tax credits are generally considered to be one of the most attractive tax reliefs available, often resulting in significant cash repayments from HMRC.

What are the benefits?

The benefits of the programme include increased cashflow, which is especially important to small, developing companies. It also encourages development of a corporate philosophy that embraces innovation and improvement.

Do you qualify?

A common misconception is that the scheme is just for companies with R&D departments and men in white coats. The fact is that any company that spends money trying to improve a product or service through a technological advance, using qualified staff and appropriate project controls, and where there's doubt about the project's success, is likely to be eligible.

R&D in Aerospace

From an R&D perspective, the aerospace industry is a rich and diverse field, covering research, design, manufacture, operation, and maintenance, with a multitude of commercial, industrial and military applications.

This includes design and manufacture of civil and military aeroplanes, manned and unmanned, as well as missiles. It also includes space components, such as satellites. R&D projects in aerospace may involve work on aircraft components or subcomponents, or on the entire aircraft.



Although we were clearly doing R&D, we were being advised by people who didn't understand the company and didn't understand the potential.

After working with the consultants at Jumpstart, we recovered more than £60,000 from HMRC. We were absolutely delighted and are now working with them on further R&D tax credit submissions.

Craig Clark, Chief Executive
CLYDE SPACE





Our accountants introduced us to Jumpstart. From their first presentation, it was clear that we should be claiming the thousands of pounds available under this government scheme.

We could not believe this applied to us and it was only thanks to their in depth examination of our company, we realised the possibilities.

The understanding achieved by their analysts of our processes really was significant; few professional bodies we have encountered had their level of engineering expertise, thus giving us the confidence to move forward with a claim.

Jon Pitt, Financial Director
L.M.G. SOLUTIONS



What are the potential areas of eligibility?

A vast range of activity, which could include:

- Any development projects that, if successful, would require an STC (Supplemental Type Certificate) or LSTC (Limited STC).
- Increase in strength or decrease in weight.
- New materials/composites, or substituting new materials on an existing airframe design.
- Decrease acoustic emission/noise pollution.
- Developing new test methods e.g.
 - building rigs for full-scale component test.
 - developing material properties tests for composite materials.
- Developing new repair methods for existing aircraft parts, including development of new jigs, restraints, welding methods, etc.
- Developing substitutes for OEM-specified materials or methods that are obsolete.

What problems might a company face?

- Trade-off between mechanical strength/durability and low weight requirements.
- Difficulty joining dissimilar materials, e.g. a composite to a metal.
- Difficulty predicting onset of corrosion, metal fatigue.
- Unknown effects of modifications on material strength.
- Problems carrying out NDT (non-destructive testing) on completed components.
- Unpredictable effects of component modifications on flight dynamics.



Expert Advice

Have a thorough understanding of HMRC guidelines. Never claim for work that is uneligible. Tie the claim back to guideline specifics. Use 'user-friendly' language in application: It is vital that the technical report is clear and intelligible



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



Eligibility questionnaire

If you can answer 'Yes' to most of these questions then, based on our experience across thousands of clients, it looks like you could have a successful claim:

- Have you developed new tools, products or services using technology?
- Have you tried to improve your existing products through technical changes?
- Have you had to resolve technical problems with any of your products?
- Have you found more efficient ways to produce your products or services?
- Have you experimented with new equipment or production techniques?
- At the start of a project, did you ever think 'I'm not sure of the best way to do this'?
- Have any of your projects failed for technical reasons?

Why Jumpstart?

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.

We have helped literally thousands of businesses, some of whom had no idea they would qualify, to recover over a WHOPPING £100M in R&D tax relief benefits.

R&D Tax is all that we do. We do it really well, and we believe that our experience and expertise could help your business.

About Jumpstart

Jumpstart are the UK's leading R&D Tax Relief specialist. We employ PHD-qualified scientists and engineers who are also experts in HMRC's guidelines. With thousands of successful claims under our belts, we can help you secure the tax relief you're entitled to. **CONTACT US FOR A FREE R&D TAX CREDIT CONSULTATION AND ANALYSIS OF THE POTENTIAL RETURNS YOU MIGHT EXPECT.**

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