

THE LUCRATIVE WORLD OF R&D TAX CREDITS

While national businesses are continually creating innovative, world-beating products and spending staggering amounts on developing new technologies, they're missing out on hundreds of millions of pounds that they're entitled to claim in research and development tax relief.

HERE WE LOOK AT WHO CAN CLAIM, HOW TO CLAIM AND WHEN.

1. R&D tax credit scheme – what is it?

Introduced in 2000, the Research and Development (R&D) tax credit scheme is one of the best tax-delivered incentives in the UK. Its nature is very different from traditional tax programmes, and is designed to stimulate innovative activity in manufacturing and technology to maintain the UK's world lead in many sectors.

Valuable incentive though it may be, the scheme is massively under-utilised. Since its start around 26,255 claims have been processed, totalling £16.5 billion in R&D tax relief claimed from HMRC. However, many more thousands of companies aren't claiming.

2. We don't actually have a research laboratory. So how can my company qualify?

The Government's R&D tax relief scheme isn't just for companies with R&D departments and people in white coats.

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.



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



3. Why should I speak to a specialist R&D tax credit consultant rather than my usual accountant or tax advisers?

It all comes down to a question of technical expertise. Accountants will typically point you, the client, in the direction of the scheme rulebook.

When you have read the rules, collected your expenditure and justified your claim, your accountant may be able to tell you how much you can expect back based upon that figure.

The disadvantage of this, over and above the time involved, is that many Managing Directors and Technical Directors miss projects that are less obviously eligible, or inadvertently over-claim for things that they shouldn't. Because other technical staff tend to be left in the dark about the programme's intentions and criteria, accountancy-only claims are technically weak and easily challenged or overturned by HMRC.

4. How much effort would be required from us? And how long does a claim take from initial meeting to being paid by HMRC?

Clients normally get their money 4-6 weeks after submission. Our quickest time from submission to payment was 1 week!

First, the R&D tax credit specialist will identify eligible projects for R&D submission, dealing directly with the staff involved in development. After refining its report in conjunction with key staff, the specialist will create a comprehensive financial schedule that allows HMRC to see exactly how the total claimed is broken down and justified.

After guiding the process through HMRC, dealing with any questions that may arise along the way, the specialist then secures, almost without fail, a tax benefit for the company in the form of a payable cash credit, a tax rebate, or an enhanced deduction that can be set against future profits.

For a free R&D tax credit consultation and analysis of the potential returns you might expect, 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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