



# Enhanced Tax Relief for Research and Development Expenditure

WHAT YOU NEED TO KNOW – THE KEY AREAS

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## Overview

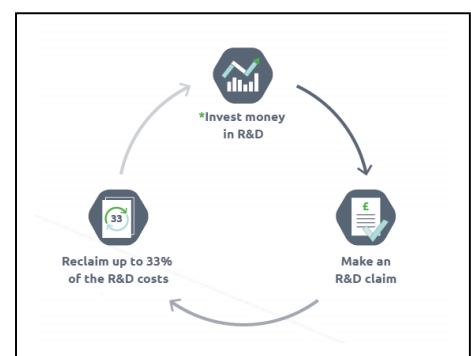
R&D tax relief can improve your company's cash position by reducing its corporation tax liability. It's one of the government's top incentives to encourage investment in research and development. Your company could receive cash credits for projects worked on from as long as two years ago, and can even benefit from R&D tax relief if you are making a loss.

## What business can qualify?

According to the government's rules and guidance on R&D tax relief, a company performs qualifying R&D activities when it seeks to make an advance in science or technology, or tries to resolve a scientific or technological uncertainty. In addition, appreciable improvements may also qualify for R&D tax relief, although routine work, such as a minor modification to an existing product, does not.

## What projects qualify?

A key test of whether work can be considered as R&D is whether your project team faced technological uncertainties at the start of the project. That means that your team did not know at the outset whether or not a particular technological goal was achievable. If you can show that your project goes beyond applying existing technologies and demonstrate that it breaks new ground, you can claim R&D tax relief.



Every care has been taken to ensure that this summary is as accurate as possible. Please note, however, that this is a guide and is intended for general information purposes only. No responsibility will be taken for any action taken or refrained from in consequence of its contents. Always seek professional advice before acting.

### The 6 P's of R&D

As a starting point to consider whether you may have some qualifying R&D expenditure, you should ask yourself the following questions, which we refer to as the 6 P's of R&D.

- DOES YOUR COMPANY DEVELOP NEW OR IMPROVED PRODUCTS?
- DOES YOUR COMPANY DEVELOP NEW OR IMPROVED PROCESSES?
- DOES YOUR COMPANY DEVELOP PROTOTYPES?
- DOES YOUR COMPANY EMPLOY TECHNICAL PROFESSIONALS?
- DOES YOUR COMPANY FILE OR HAS BEEN ISSUED PATENTS?
- DOES YOUR COMPANY ENCOUNTER DESIGN OR DEVELOPMENT PROBLEMS?

If you answer any of the above questions with a yes, you may have qualifying expenditure and should get in touch with HSA for an exploratory conversation.

### How will HSA & Co help me?

HSA & Co have a detailed knowledge of the tax rules surrounding R&D tax credit claims and through our experience of submitting claims to HMRC on behalf of clients, we understand where to identify R&D expenditure, how to maximise the claim and what information HMRC expect to see to support your claim..



- We handle your R&D claim from start to finish, taking up a few hours of your time.
- We can maximise your R&D claim because our expertise in identifying your qualifying projects and eligible expenses.
- We write technical reports describing your projects to support your claims. Whilst we may ask for your input to this report, (after all you are the expert in the very technical areas) we will manage the process and ask for input only when required
- We will liaise with HMRC handles your claim promptly. Our approach is to give HMRC everything the need to approve the claim first time round.

### GET IN TOUCH

Contact us today to discuss how to secure R&D funding opportunities for your company, offering significant corporation tax savings in future years and potential for tax refunds from earlier years.

Contact Jonathan Ward on 01799 530335 or email [jonathan.ward@hsaccountants.co.uk](mailto:jonathan.ward@hsaccountants.co.uk)



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