

This leaflet serves as a general introduction to R&D tax credits. The HMRC scheme covers a broad range of industries, including manufacturing, technology, IT and software, FinTech, science and medicine, engineering, environmental and renewable energy, agriculture, architecture and construction, and food and beverage.

THE R&D TAX CREDIT SCHEME

The research and development (R&D) tax credit scheme was introduced by the government in 2000 to encourage and reward scientific and technological innovation within UK companies.

Since its inception, the relief available has altered over the years. Currently SME businesses can claim up to 21.5p for every £1 spent on R&D activity.

However, some companies are unaware they are eligible to claim and, as a result, miss out on what is often tens or even hundreds of thousands of pounds in additional working capital.

WHO IS THE SCHEME FOR?

- Limited companies
- Both profit and loss-making companies
- New businesses can qualify after their 1st year of trading
- Failed and abortive projects can still be eligible

QUALIFYING EXAMPLE

An innovative chemical cleaning solutions business developed a range of products using intelligent formulation, application chemistry research techniques and rigorous testing.

SciTax recovered £51,000, and sustained investment in R&D has been a key component to the success of the company.

DO YOU QUALIFY FOR R&D TAX CREDITS?

R&D tax credits are not limited to technical or laboratory research. Companies working in a wide range of sectors can qualify, provided they meet the claim criteria by clearly demonstrating they are working on innovative projects which are seeking to make a scientific advance:



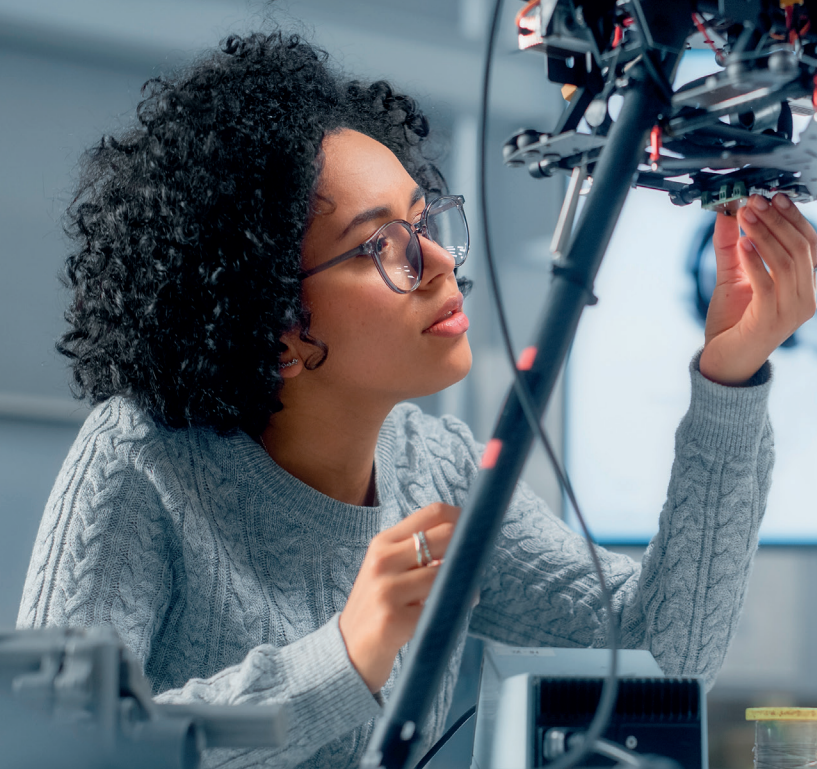
Undertaking a Project

- Developing new products, processes or services
- Improving something that already exists
- Duplicating existing processes in a new way



Overcoming Uncertainties

- Your project must have looked for an advance in science and technology and tried to successfully overcome uncertainty
- The project must not be easily worked out by a professional in the field
- The project must be a challenge which is not solvable using readily available information



HOW MUCH CAN BE CLAIMED?

The government recently adjusted R&D tax relief rates. From 1st April 2023 the following rates will apply:

21.5% Smaller business can claim up to 21.5% of their expenditure – up to 21.5p for every £1 spent (27% if classed as R&D intensive).

15% Larger businesses can claim up to 15% of the expenditure.

IS THERE A CLAIM TIME LIMIT?

The R&D tax credit claim time limit is two years from the end of the accounting period to which it relates.

QUALIFYING COSTS

Direct and externally provided staff, subcontracted R&D, consumables, software, trials, prototyping and independent research costs may all qualify for R&D relief.



CONSUMABLES

Materials consumed during or transformed by the R&D.



SUBCONTRACTORS

The cost of R&D activities subcontracted to a third party.



STAFF COSTS

Gross salary, employers' NI and pension contributions.



SOFTWARE

Software used specifically on R&D activities.



EXTERNAL WORKERS

EPWs provided by a third party, such as agency staff.

WORKING WITH SCITAX SPECIALISTS IN R&D TAX CREDITS

At SciTax we aim to make the claims process as simple and straightforward as possible. We focus solely on R&D tax credits, which means our highly qualified technical specialists have a deep understanding of the legislation. Our team has successfully recovered millions of pounds for innovative clients.

- Initially we recommend an introductory no obligation telephone call with one of our consultants, to establish if you meet the criteria.
- In line with our consistent approach, we will assign a technical consultant to you, experienced in your industry sector, and they will chat you through the process in more detail.
- In getting to know you and your technical and finance team, we offer flexibility according to your needs and time constraints, using face to face meetings or via Teams/Zoom, email or over the telephone.
- We take care of everything from beginning to end. Our experts know how best to present your case.

"SciTax was fundamental to our successful R&D tax credit claim. They were patient, knowledgeable and worked with different members of our team throughout the process to help extract what we needed. Their support was invaluable."

SciTax Client

"We have used the team for R&D tax work and advice for a good number of years and have found them to be very professional, reliable and efficient on every occasion. They have achieved excellent results for our clients, and I have no hesitation in providing this reference."

SciTax Referral Partner

Contact us today to find out more: 01629 810222 or email info@SciTax.co.uk