



Are you aware that if your company has carried out, or is currently looking into qualifying Research and Development, you will be entitled to tax reliefs resulting in either:

- A cash refund for overpaid company tax
- A reduction in company tax now and for future years
- An immediate cheque to cover some of the costs of the research and development

What is qualifying Research and Development?

This is not limited to work done by pharmaceutical, precision engineering, bio-tech, chemical or mechanical companies.

A company that invests management time, overheads and third party costs to achieve the following should make a claim for the tax relief:

- **Creating new products, processes or systems**
- **Making significant adaptations to improve existing products, processes or systems**
- **Integrating or updating products, processes or systems**

The above will usually be done to achieve a competitive advantage, deliver cost and time efficiencies, adapt to changing consumer demands or comply with new rules and regulations within your industry.

The tax relief works by uplifting the direct costs of the research and development by 130%. For example, say the costs of management salaries, third party consultants and energy overheads for the research amounted to £100,000. Your taxable profit would be reduced by a further £130,000 meaning you save tax or should have tax refunded of £26,000.

Recent claims

Furniture retailer improving supply and customer chain logistics

A retailer of ready assembled high quality furniture engaged software engineers and internal staff to integrate the software and hardware for several sales platforms and stock/delivery control systems, to maximise space and time efficiency for storage and delivery, that ensured consumer demand for on-the day delivery was met.

We identified the following areas of qualifying Research and Development tax relief:

- Integration of multiple hardware and software systems for sales and stock control
- Software programming to ensure universal communication between the systems
- Logistics programming to achieve consignment storage, packaging and delivery within consumer requirements

The company made a claim for current and prior years with a further claim to be processed for on-going research.

Dairy company producing speciality milk and associated dairy products

The company developed various products such as coconut milk, oat rice milk and almond milk with internal and external specialists using chemicals and materials. Research specialists were also used to ensure the product met UK health and safety guidelines.

We identified the following areas qualifying for Research and Development tax relief:

- Establish a process that protected the benefits of vitamins whilst treating the milk
- Enabling minerals to be added and ensuring the “taste of milk” was maintained
- Extending the shelf life of product

Lighting distribution and retail company adapting the use of common LED lighting

The company adapted and improved the original equipment manufacturers product and characteristics with engineers assembling and discarding numerous prototypes and components. It also engaged third party technicians to ensure the products met UK safety standards and regulations.

We identified the following areas qualifying for Research and Development tax relief:

- Integrating grades of components to produce brighter light to power usage ratios
- Creating grades of white per the whiteness index from one light casing
- Using reflective concave casing to bounce light before emission
- Adapting LED lighting elements to withstand internal and external heat/humidity for longevity

If you think that your business fits these expanded criteria for qualifying Research and Development, please contact us. We will try to fully understand your business objectives to identify and support a claim for Research and Development tax relief. We will also help you to capture all the costs of the research to maximise your claim now and going forward.

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