

 Access2Funding

# QUICK GUIDE TO RESEARCH & DEVELOPMENT (R&D) TAX CREDITS FOR BUSINESSES

*in partnership with*



**GREAT**  
ANNUAL SAVINGS  

---

GROUP

## ○ What is R&D?

The Research and Development Tax Relief Scheme is a Government initiative, created to reward and encourage UK companies to invest in innovation.



### Why R&D?

In reward for the risk-taking innovation (*that does not need to have been successful OR completed*), companies can claim a Corporation Tax reduction or refund. Tax losses can be converted into a cash tax rebate, based on any qualifying project costs over the last 2 financial years.

### Who can claim?

- To qualify the company must be based in the UK.
- Must be Limited and liable to pay corporation tax (but doesn't need to be currently paying if loss making)
- Seeking to overcome uncertainties within an industry
- Seeking to improve processes, services, materials, devices
- Work requires trial and error to get the result
- Investment in failed projects or developed products that have never launched can qualify
- Companies that employ technical staff often qualify
- Projects involve design and/or implementation
- A process can be shown in getting from A to B

### What can be claimed?

- Staff costs (including employers pension and employers NI, but not benefits in kind)
- External staff, e.g. agency staff (up to 65%)
- Materials/consumables used directly in the R&D process
- Power, water, fuel used directly in the R&D process
- Computer software - Subcontracted R&D costs can be claimed (up 65%)
- Wastage

## ○ How are companies categorised?

### SME's

We specialise in helping SME's in a range of sectors below. Because of our specialisation we have intricate knowledge of each industry and what can be deemed research and development.

To be eligible to claim R&D, SME businesses must:

- Be UK registered company and liable to pay Corporation Tax
- Have under 500 employees
- Have either under €100million turnover or under €86million on the balance sheet
- Have not received grants or subsidies towards their R&D projects
- Have not been subcontracted by large companies to undertake R&D activities

### Large companies and those not meeting the SME criteria

We are experts in helping large companies claim the tax credit called the Research & Development Expenditure Credit (RDEC). RDEC is a credit for R&D expenditure which is shown as income in the company's profit and loss account.

All R&D tax incentives are designed to encourage investment in innovation. Large company investors, looking at the profitability of a company will see the credit for investment in R&D and the positive effect this has on profits, in contrast with the SME scheme where the R&D relief is deducted from the corporation tax bill or given as a tax refund and so invisible to those making investment decisions.

**As a guide, we have a list of industries and sectors we have worked with in the past, including:**

- |                            |                     |
|----------------------------|---------------------|
| → Air Conditioning         | → Fire and Security |
| → Agriculture              | → Food & Drink      |
| → Automotive               | → Flood Defence     |
| → Construction             | → Hospitality       |
| → Commercial Refrigeration | → IT & Software     |
| → Demolition               | → Marine            |
| → Drainage & Sewage        | → Manufacturers     |
| → Electrical Contractors   | → Sciences          |
| → Engineering              | → Waste Disposal    |
| → Fabrication              |                     |

*\*This is an example of sectors and is not an exclusive list of those we work with.*

## ○ Why choose Access2Funding?

Here at Access2Funding we are a group of highly qualified and experienced individuals, who possess an expert eye when it comes to Research and Development.

Our group of experienced writers conduct reports and identify R&D in a vast variety of industries, even when it looks as though there is nothing.

Our 100% success rate is a testament to the effort and attention to detail included in every report, giving both us and our clients the best opportunity to succeed in securing the funds that will help their business prosper.

Our average claim value is £33,500, rising to £50,000 on average within the manufacturing and construction sectors.



**£23m** has been returned to for our customers in 2020,  
with over **1160** claims and an average return of **£39k!**



**How to get  
In touch?**



0333 990 0125 /  
07921 438080



n.lawton@access2funding.co.uk