

Technical innovation is important to your business. You are not sure if you are making the most of the tax reliefs which can generate cash from HMRC and support your innovation spend. We can help.



Please get in touch...

To make sure that you are not losing out on these valuable tax breaks please contact:

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Due care has been taken in the preparation of this document. Specific advice should be sought in relation to particular circumstances.

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Real faces, real places. All of the people pictured here are Mazars staff, working in one of our 17 UK offices.



Research and development tax reliefs

Generating cash flow from your innovation spend



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Spending on technological development can secure some of the most attractive tax reliefs available. Don't miss the opportunity to make a claim.

The R&D reliefs and how to secure them

What reliefs are available?

Did you know that you can get tax relief for up to 49p per £1 of your company's research and development (R&D) spend? Or that if you have losses you can get cash-back from HMRC of 24.5p per £1 of spend? Do you know for sure whether you are carrying out qualifying R&D and to what extent? Have you fully explored the use of R&D tax reliefs to improve your company cash flow?

If you cannot answer 'yes' with confidence to any of these questions, now is the time to act.

There are two schemes of relief. One for small and medium sized companies (SME's) and one for larger companies. Since 1 August 2008 an SME is broadly a company with less than 500 employees and not more than either €100m turnover or balance sheet total of €86m, taking into account certain linked and partner enterprises. This doubles the limits compared to previous levels giving increased access to the SME scheme for larger companies.

SME's may claim a tax deduction of 175% of their qualifying R&D spend and, if loss making, trade in the losses for 24.5p in the £ "cash-back" creating an additional source of cash-flow for the company. Large companies may claim a tax deduction of 130% of their qualifying spend and don't have the cash-back option.

How Mazars R&D team can help

Our R&D team is used to helping companies maximise the benefit of this relief. We have made successful claims for new clients who previously thought they could not make a claim at all. In some cases these were for several million £'s of expenditure.

The most obvious sectors for claims are technology (in its widest sense), software, manufacturing, engineering and "green" industries. However we have seen claims in less obvious sectors. Construction for example. As a rule of thumb if you are devoting resource to try to solve a scientific or technological problem you may well have a claim. Even if you fail to solve the problem.

We are able to deal with R&D claims on a project basis from the initial assessment to agreeing cash-back with HMRC. This may involve some or all of the following:

- assessment of the extent of your qualifying R&D spend;
- estimate of the likely value of any claim;
- producing the claim in detail and filing with HMRC;
- producing detailed supporting documentation;
- resolution of any enquiries from HMRC;
- working with you to improve data capture systems to support maximum future claims; and
- tutorials for your R&D or accounting teams to improve knowledge base and future data quality.