

Research & Development – Tax Credits for SMEs – Money back for investing in innovation

Research and Development (R&D) Tax Credits are Government tax breaks designed to encourage innovation by incentivising companies to develop new or improved products, processes, services or systems, enabling them to reduce their tax bill or claim tax refunds on a proportion of their R&D expenditure.

26% TAX REDUCTION FOR PROFITABLE COMPANIES
33% CASH BACK FOR LOSS MAKING COMPANIES

R&D TAX CREDITS – HOW IT WORKS

R&D for tax purposes takes place when a project seeks to achieve an advance in science or technology. Eligibility is not limited to activities taking place in laboratories and science based research centres. R&D tax credits can often be claimed in far broader areas and various enterprises could qualify for significant tax reductions and gain a cash flow boost. Loss making companies can even claim back tax they haven't paid in the first place.

WHAT'S IT WORTH?

- Up to 26% tax reduction for profitable companies – that's the equivalent of 26p from HMRC for every £1 spent on R&D activities
- Up to 33.35% cash back for loss making companies

Expenditure includes:

- Staff costs of those working on a project and subcontractor costs (65% allowable).
- Materials, software and hardware and some overhead expenses.

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Beavis Morgan.
Accountants and Business Advisers

Beavis Morgan – specialists in working with owner-managed businesses and entrepreneurial thinkers

At Beavis Morgan, we have made substantial successful claims for business across a range of sectors.

Discussing underlying concept or technology and getting to know your innovation in detail

Extracting the relevant financial information to compile robust claims which we present to HMRC

Liaising with HMRC on your behalf to assist in the process of achieving R&D money back for you and your business

Below is a sample of examples where we have successfully helped businesses achieve tax breaks for investing in R&D:

Business	Project	Tax Benefit £
Advertising Agency	Technical innovation in digital marketing	113,000
Digital Marketing	Innovative technology platform to facilitate project development	24,000
Game Developer	Development of 3D action games for mobile and tablet devices and other digital applications	129,000
Marketing & Communications	Digital database used for business development support	58,000
Travel Agency	Development of suite of virtual corporate travel tools	161,000
Lighting Products	Development of lighting concepts using 3D digital imaging software	26,000
Property Consultancy	Project collaboration tool for construction and property portfolio industries	68,000

Our specialist team at Beavis Morgan can help you with all aspects of your R&D tax credit claim, including:

- Ascertaining whether you are eligible to qualify
- Identifying and capturing expenditure on qualifying activities
- Preparing a robust report for submission to HMRC
- Being prepared for and managing an enquiry by HMRC

Speak to us today to find out how you can benefit from the R&D tax credits – but remember the 2 year time limit.

CONTACT DETAILS

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