

R&D tax matters

R&D tax credit claims for
innovators and creators

are you being rewarded for innovation?

The engineering and manufacturing sector is investing heavily in Innovation to improve existing products, invent next generation products, improve processes and solve complex problems.

To support the sector businesses like yours are being rewarded every day by the UK Government for their innovation and investing in new technology. Are you one of them?

why r&d tax credits?

Recognising that innovation is key to stimulating growth and in turn the economy, the Government therefore introduced a valuable incentive known as the R&D Tax Credits Scheme.

Businesses are being financially rewarded through this Scheme for their innovative work and for their unique approach to overcoming challenges and uncertainties which satisfy the R&D tax credits eligibility criteria.

what are the eligibility areas of expenditure?



staffing costs



consumable or transformable materials



externally provided workers



software costs



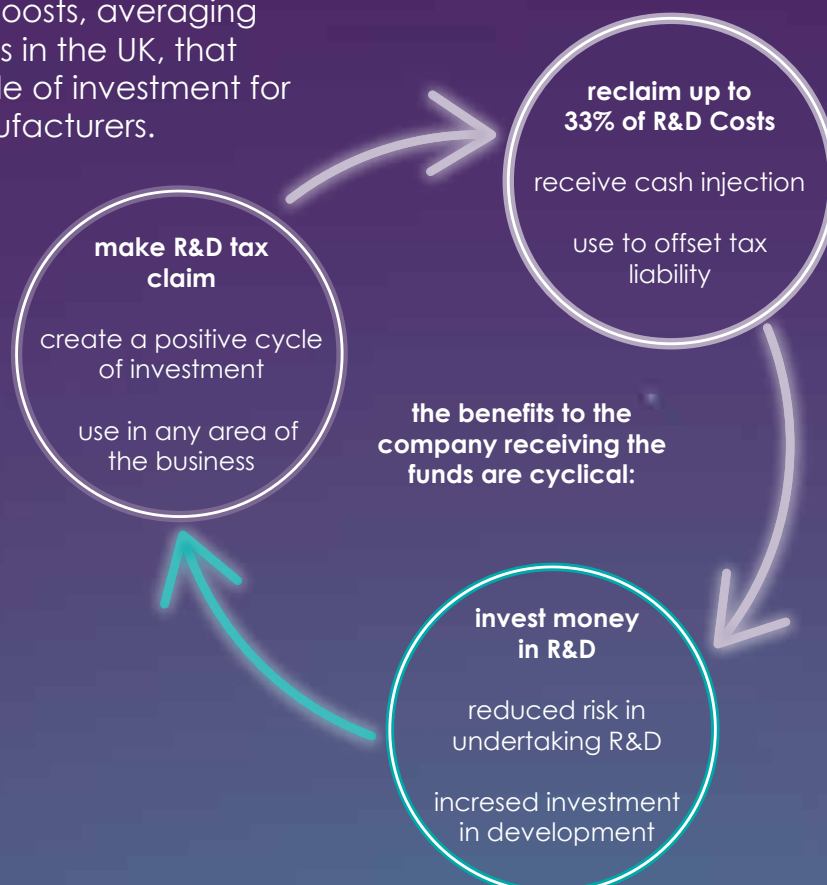
subcontracted R&D consultants



a proportion of utility costs

why make a claim?

A successful R&D Tax Credit claim results in substantial cash boosts, averaging around £53k for SMEs in the UK, that funds a positive cycle of investment for engineers and manufacturers.



ammu's 7 step process

We can help whether you are new to R&D Tax Credits or if you have made a claim before. With our support and guidance, making a claim is easy but more importantly we ensure your claim is scrutinised by our team and satisfies HMRC requirements.

1

eligibility call

experienced consultant reviews your project eligibility and identifies overlooked opportunities

2

technical assessment

dedicated adviser meets with your project team to discuss technical aspects and assess qualifying costs

3

financial assessment

your adviser asks key financial questions relating to the project to accurately apportion costs

4

tax calculation

our tax expert will advise you on the tax relief potentially available taking into account your company size, financials and if it is profit or loss making

5

full report

a comprehensive report detailing project findings and financials is expertly written by your adviser. You review and approve

6

expert advice

we advise on your company's options to utilise any tax relief due e.g. cash back, reduce tax liability, losses carried forward, or a combination of all three

7

submission

after the claim is finalised and agreed, we submit the claim to HMRC on your behalf

what makes your project eligible?

A key part of making a claim is demonstrating your projects are overcoming uncertainty. Devising new ways of doing things is a daily challenge for engineers and manufacturers.

Here are some examples of uncertainty in the manufacturing and engineering sector that have provided the basis for successful R&D tax credit claims.



Specialism	Project	Uncertainty / Innovation (1)	Uncertainty / Innovation (2)
Mechanical Engineering	Process improvements to cope with variable materials	Introduction of greater automation New process design	Fewer defects and reworking More speed and accuracy
Metallurgy and castings	Process Design/ improvement	Reduce wastage of materials, energy and time	Fewer defective castings
Mechanical Engineering	Technical feasibility	Better estimating and fewer failed projects	Stay ahead of competition by cost reduction
Mechanical Engineering	NPD - industrial cleaning device	Safe operation in hazardous environments	Improved operational life
Mechanical Engineering	Quality control process improvements	New weld testing techniques	Speed Accuracy
Software Engineering	Documents retrieval systems	Keep legacy data and integrate into new system	Combine business apps into seamless new system. (communication protocol)
Electrical Engineering	Creation of VR product for education / training	Price-cost a primary driver	Robustness of product
Mechanical Logistics	Packaging design	Designed for ease of assembly	Improved strength, utility stacking heights
Mechanical Logistics	Process improvements	Better use of machinery and people	Improve speed maintain accuracy
Software in Life Sciences	Create/ test drug array equipment	Development of working model	Implement image recognition software to automate results
Manufacturing in Jewellery	Jewellery manufacture NPD and process	Design, creation of prototype	Improved manufacturing processes to reduce waste

mini case study

We were recently introduced to an engineering firm by their accountant.

The firm make and supply equipment for use in chemical engineering and the oil and gas sector. They were initially sceptical, but a short conversation identified three projects:



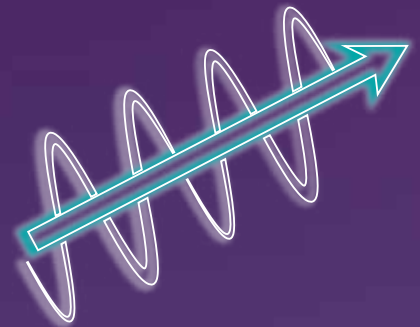
updating software:

They had developed an integrated document management system incorporating the data from their legacy systems and pulling together a number of different software applications.



new product development:

They had designed, built, and tested equipment which allowed them to provide an in-house maintenance and cleaning service for apparatus used with hazardous chemicals. Previously this had always been done on site which was time consuming, inefficient and dangerous.



improved processes:

Continual improvement drives their manufacturing processes. This is associated with novel testing techniques which have been developed to ensure quality is maintained as processes are improved

checklist:

To be eligible you need to:



Have been developing or improving your business products, processes, or systems



Be a limited company that has been trading for more than 12 months

For SME Scheme you will need to have:



Turnover of less than €100 million



Head count of less than 500



Balance sheet of less than €86 million



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