

R&D INCENTIVES

ENGINEERING/MANUFACTURING

HOW DOES IT WORK?

Firstly, identify your technology or science projects done over the last 2-3 years, which meet a special definition of R&D. You don't need to be setting the world alight – but projects must meet two criteria:

**Seeking an
advance in
science or
technology**

**Whilst
resolving
scientific or
technological
uncertainty**

Simply put, projects that include some element of “change” qualify, where there isn't an obvious or standard solution, so some time and testing has had to be spent.

Secondly, identify costs you've incurred during the R&D projects.

You can claim staff costs, payments to contractors or agencies supplying personnel, consumables, software licences and utility costs.

HOW DO I CLAIM?

Your R&D incentives claim is submitted to the Government via your tax computation and should be accompanied by a supporting report. They typically review it within 28 days.

R&D

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WHAT'S THE BENEFIT?

- By making R&D incentives claims, profitable companies will receive c25p for every £1 spent on R&D
- If your company is not making a profit you can receive as much as c33p for every £1 spent on R&D
- There are also benefits for capital expenditure on R&D

WHAT SORT OF PROJECTS QUALIFY?

A broad range of projects can meet the Government's R&D definition, for example:

- New products
- Improvements to existing products:
 - New/different materials
 - New technology
 - Better performance
- Improvements to a manufacturing process:
 - Complex shapes and assemblies
 - Automation
 - Increased efficiency
 - Increased yield
 - Increased recyclability
 - Reduced wastage
- If we don't call it "R&D", then what might we call it:
 - Process engineering
 - Applications engineering
 - Value engineering
 - Lightweighting
 - Space constraints
 - Environmental conditions/considerations
 - Legislative changes (BSs/ISOs), requiring re-engineering

