



R&D TAX CREDITS

• IDEAS • INSPIRE • LEGACY •

ABOUT R&D TAX CREDITS

HMRC Research & Development (R&D) Tax Credits/Refunds are a statutory tax relief part of the Finance Act and written into law and funding innovation in UK businesses since 2000. The scope of qualifying activity was widened in 2015 enabling more sectors to qualify for this valuable source of funds, helping support the growth of businesses as they continue to innovate and invest in further R&D. This incentive can transform your company and if you are making a claim for the first time, you will be able to claim for the previous two financial years.

ELIGIBILITY CRITERIA

HMRC's R&D tax relief can take place in any sector. Qualifying activity can occur in everything from cheese-making to vaccine development. If you are spending money and time developing new products, processes, or services, or enhancing existing ones, you are eligible for R&D tax relief.

Your project may be creating a new process, product, service or improving an existing one. You will probably be trying to solve a problem where no solution is readily deducible. The scope for identifying R&D is huge and it exists in every single sector. If your company is trying to resolve technological uncertainties, then it is very likely that you are carrying out qualifying activity.

Qualifying R&D activity can:

1. Be undertaken in almost any industry.
2. Include trying to make something cheaper, faster, smaller, larger, leaner, or greener.





It can even include reverse engineering a product, process, service, or device, if it is in a considerably improved way.

According to HMRC, a company is undertaking R&D when they are:

Overcoming technological uncertainties aimed at achieving an advance in technology which is not readily deducible by a competent professional.

Encouragingly, R&D is still deemed to have taken place whether the project is a success or a failure: it is the “seeking” that counts.

BENEFITS OF R&D

The incentive allows for up to 33p in every £1 spent on qualifying R&D activities to be claimed. Last year over 59,000 UK companies utilised this benefit and claimed almost £5.3bn in tax relief. R&D tax credits are a significant source of funds for your company to enable you to invest in stimulating your R&D program, recruiting new staff, expanding your business, and ultimately increasing profitability. They have the potential to transform your company and fuel its ongoing growth. Spending money on innovation also has a far-reaching positive impact not only in companies, but in wider society, as well as promoting economic growth.

There are three main types of tax benefits that arise from a successful claim of R&D – these are a payable cash credit, a rebate of corporation tax and an enhanced deduction that can be carried forward.

HOW INNOVATION IN LIFE CAN HELP

Innovation in Life (IIL) are specialists in R&D tax credits. We will work closely with you to identify the R&D projects that you are carrying out within your company and the associated qualifying activity. Our sole focus and attention to detail ensures you benefit from the maximum claim value to support your business and accelerate its growth. In addition, if you have been claiming R&D tax relief previously, we are able to review past submissions to identify supplementary projects and expenditure that may not have been included in the scope of the claim. Typically, the second opinion approach is combined with our full service approach to identify additional expenditure in past claims and include projects in the scope going forward.

ABOUT OUR R&D TAX TEAM

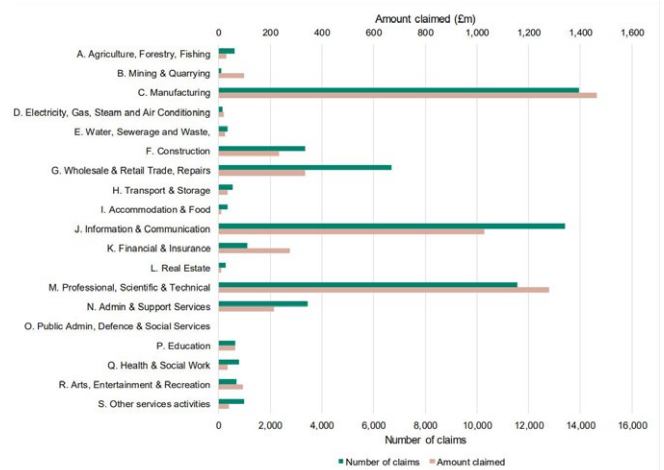
Our specialist R&D unit is based in our London office. This highly motivated team pulls together the experience and specific specialist skills that are necessary to identify and successfully manage R&D claims for the benefit of our clients. At IIL we pride ourselves on a 100% success rate. IIL offers a seamless service and will take care of every single part of the claim from the moment you engage with us. The average time from the first call with IIL to receiving your refund will be approximately 10-12 weeks, with only 6 to 7 hours overall of your company's time needed to complete the claim. Our sole focus is on R&D Tax Credits/ Refunds and we are fully up to speed with all the latest legislation.



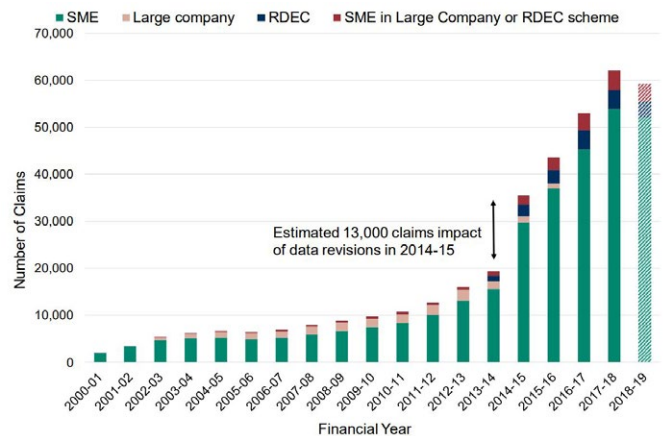
R&D TAX CREDITS STATISTICS FOR SEPTEMBER 2020

These statistics are compiled by GOV.UK and highlight information regarding the number of companies claiming R&D tax credits in varying sectors.

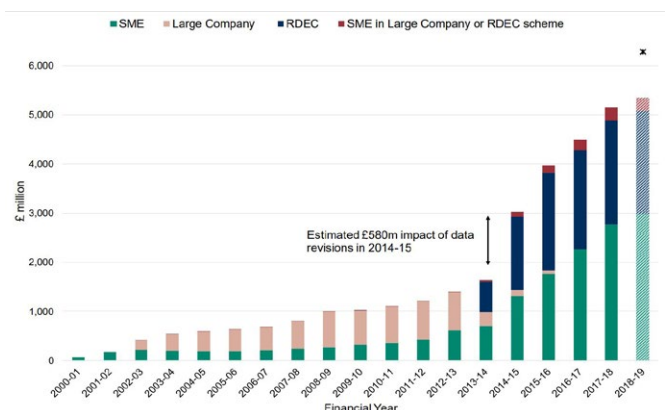
Sectors:



Number of claims from 2000-2019:



Amount claimed from 2000-2019:



TURN OVER: **£1M**
CLAIM VALUE: **£150,000**
A FIRM OF ARCHITECTS

A very delicate challenge arose when this firm were assigned the task of designing a multipurpose sports facility with a restricted plot size. After careful consideration, they agreed to a building that allowed two markedly different climates – hot and cold. These climates managed to co-exist in a small plot using a floating floor. The design work that went into this project took a years' worth of detailed planning before coming to a systematic solution.

TURN OVER: **£4.5M**
CLAIM VALUE: **£90,000**
A HOUSING DEVELOPER

A leading housing wanted to ensure that their development met sustainability measures from the ground-up and was conscious of the environment. They carried out numerous R&D projects to accomplish this. The activities included researching new ways of removing land contaminants. They also developed a new sustainable urban drainage system that is just as effective as a standard drainage system.

TURN OVER: **£5M**
CLAIM VALUE: **£170,000**
A CIVIL ENGINEERING COMPANY

This company was commissioned to build a multi-storey basement in London. There were space restrictions as it was narrow, along with the unprecedented basement depth, preventing usual excavation methods from being suitable. To solve this problem the company needed to modify the arm of a current excavator. Through gradual developments, they managed to create an arm that could safely excavate deeper pits within the confined space.

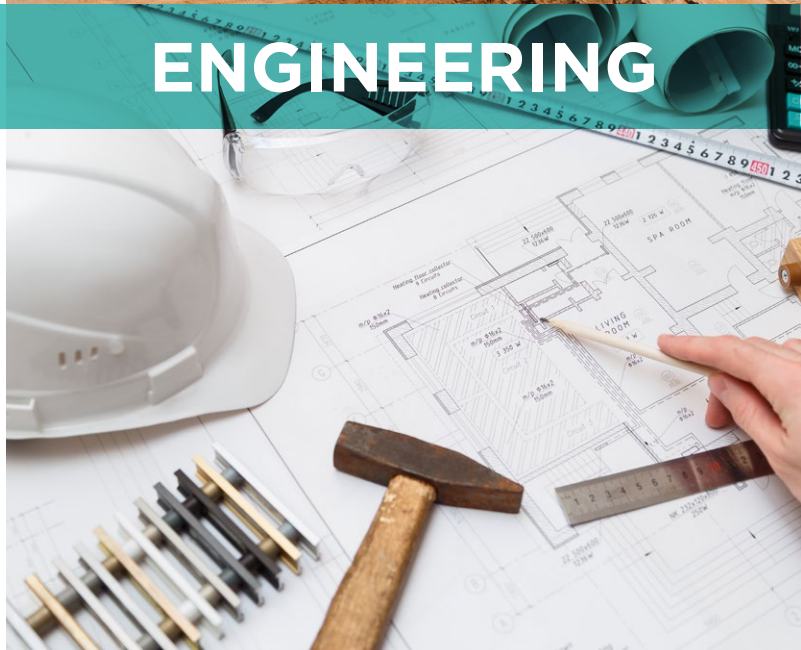
ARCHITECTURE



CONSTRUCTION



ENGINEERING



FOOD & BEVERAGE



TURN OVER: **£11 MILL**
CLAIM VALUE: **£117,000**
A SNACK FOOD MANUFACTURER

This manufacturer creates a variety of different snack bars for a leading diet business. It was necessary to reduce the sugar content of their snacks in response to the government's pledge to improve the nation's health. With the snack bars being already an established and popular product, it was crucial that it did not change considerably. An effective process of trial and error led to a successful recipe which created the new replacement bar.

MANUFACTURING



TURN OVER: **£1M**
CLAIM VALUE: **£100,000**
A SYSTEMS MANUFACTURER

This manufacturer was challenged to develop a part for a system that would improve the overall cost-effectiveness of lifting heavy pallets. They developed a new lightweight part, that reduced the overall weight of the conveyor system. This lowered their client's production costs, and the development also resulted in a lowered risk of human error and a decrease in health and safety issues.

SOFTWARE & IT



TURN OVER: **£2.5M**
CLAIM VALUE: **£90,000**
A SOFTWARE AGENCY

This software agency constructed an Electronic Care Portal (ECP) for use across an extensive care home network. They developed an app that enabled carers to check and record activity on tablets, which importantly saved time on form-filling allowing carers more time with residents. In addition, the app gave management a central system that recorded employee, resident and care home data. This was bespoke and had never been established before.

CLIENT TESTIMONIALS



Higgins Group:

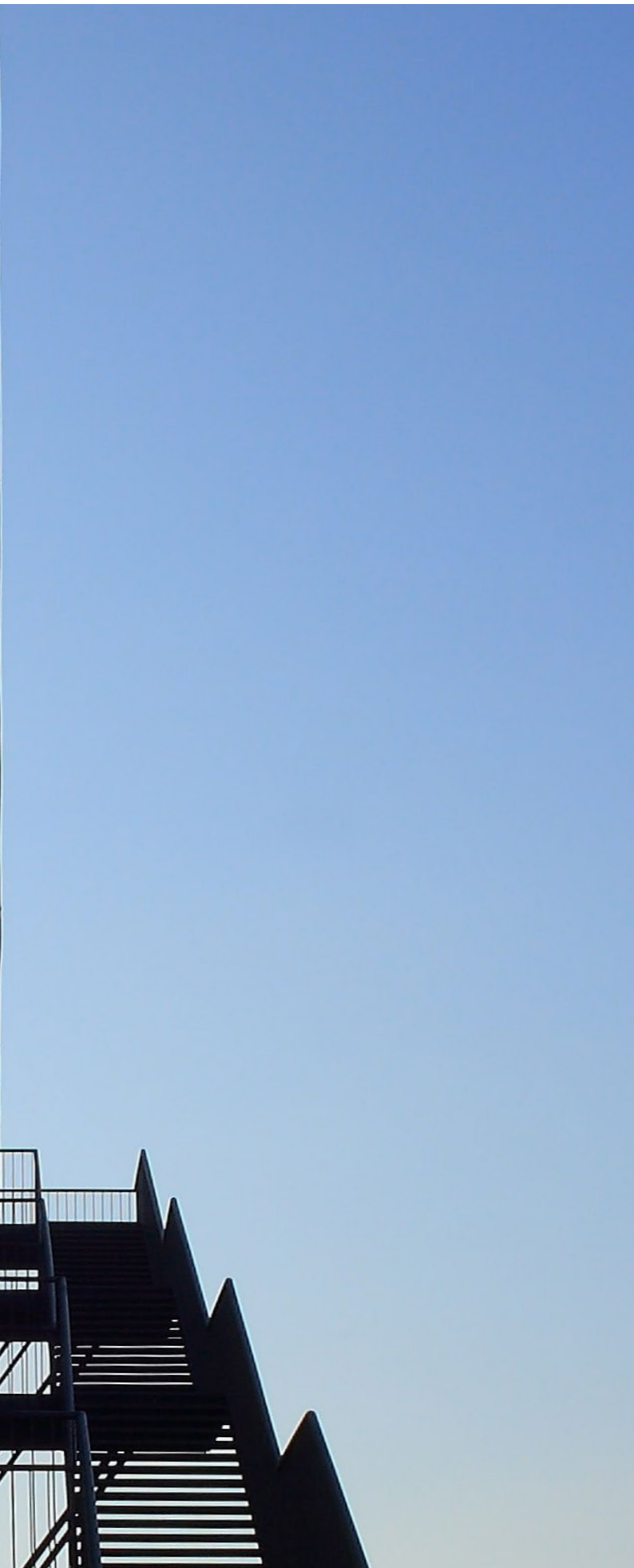
"Innovation In Life were a pleasure to work with throughout the whole process! Their ability to inform you consistently and thoroughly as the claim progressed was refreshing and ensured a stress-free experience. With very limited time available between first contact and our year end, they were able to maximise our claim and exceed our expectations."



Stak Construction:

"Everyone at Stak was very impressed with Innovation In Life. We were unaware of how beneficial R&D Tax Refunds would be to our company until IIL informed us. Originally, we were very cautious of the amount of our time that IIL would need to produce our claim, however, after a surprisingly short amount of time (6 hours over 4 weeks) we had supplied the necessary information."





Consero London:

“Finally we found a company which were not only able to offer a premium service, but also managed to increase our claim significantly over our previous advisors. Innovation In Life were sincere and meticulous in their approach. They left no room for error and directed us through the process with expertise and professionalism.”

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