

# R&D TAX CREDITS: THE FACTS

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A guide to R&D tax credits,  
if you're eligible to claim,  
and how Ad Valorem  
can help you.

Complete financial know how.



## Since 2012 Ad Valorem's dedicated team of tax credit experts has provided specialist R&D tax relief services to a variety of businesses ranging from start-ups through to large and complex corporate organisations.

Unlike most boutique providers, Ad Valorem has no minimum claim level and offers a 100% success-based fee structure while providing the professionalism of a regulated ACCA practice. As an award-winning R&D specialist firm, Ad Valorem is perfectly placed to help you maximise your R&D tax credit claim.

### What is R&D?

The R&D tax credits incentive is for companies that design, develop, or improve products, processes, techniques, formulas and software through science and technology. The credits are calculated based on the R&D eligible expenditure in the accounting period and act as rewards for companies that pursue innovation with increasing investment.

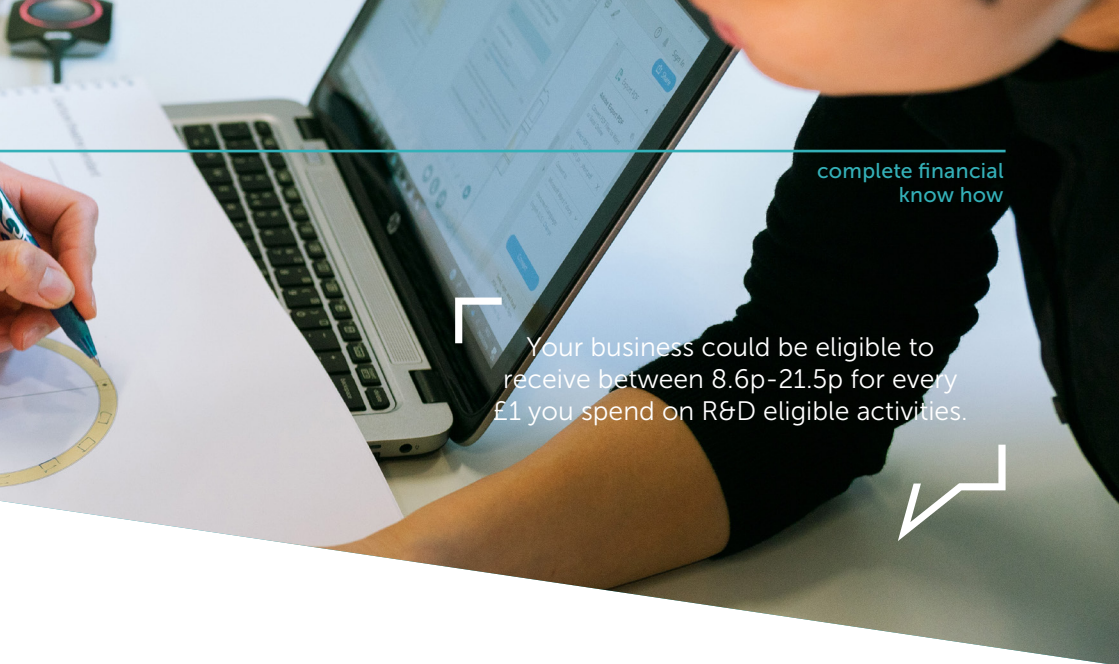
R&D tax credits is an incentive created by the Government to encourage and reward businesses for innovations and design improvements. This reimbursement of innovation gives companies the opportunity to reinvest the spent money and further develop their business.

### How do R&D Tax Credits work?

Companies that look to improve or develop a product or service or enhance an existing one and spend money doing so are eligible for R&D tax relief. If a business invests money while developing/improving its product or service then the Government offers an opportunity to claim R&D tax relief and the company may receive a payment, either in cash or through corporation tax relief, which would in turn save the business money.

### Is my business eligible for R&D Tax Relief?

Many businesses believe that R&D tax claims are limited to brand new products or ideas and are only available to certain industry sectors but this is not always the case.



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Your business could be eligible to receive between 8.6p-21.5p for every £1 you spend on R&D eligible activities.

If you believe your business is investing in development or innovation, then in short you could be eligible to claim R&D tax credits. The spectrum of businesses that tend to claim for R&D tax relief is wide and although there are a few industries that claim more than most, we have seen wide-ranging products and services that have requested and successfully claimed R&D tax relief. The three main factors which determine if you would be eligible are; if your business is a limited company, if you are/have carried out research or developed a product and if you have spent money in doing so.

The R&D claims are not limited to only successful projects, you can also claim on unsuccessful projects as long as you have evidence of technical uncertainty. Some of the 'buzzwords' that can also indicate eligibility are if a project aims to make something: faster, less expensive, more efficient, more durable, more environmentally friendly and more controllable.

#### Examples of R&D Tax claim projects:

- ✓ Developed a new product from scratch.
- ✓ Taken an 'off the shelf' product and made it better/improved it.
- ✓ Taken multiple products and combined/integrated them to enhance their overall performance (made a products offering more efficient).

#### When is the best time to start a claim?

The best time to start is now!

When claiming for R&D you are eligible to claim for up to two previous accounting periods and so there is a rolling two-year deadline for submission.

➤ [Get in touch using the details on the back of this flyer to find out how we can help.](#)



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