

Research and Development (R&D) Tax Credits

IN 60 SECONDS

Research and Development (R&D) Tax Credits

IN 60 SECONDS

What are R&D tax credits?

R&D tax credits are a government scheme introduced to encourage innovation in the UK. They are a tax relief that may reduce your Corporation Tax bill and/or result in a payable tax credit.

Who is eligible?

- Limited companies in the UK that are subject to Corporation Tax; and
- Have undertaken qualifying research and development activities; and
- Incurred costs relating to those activities.

What qualifies as R&D?

- You may research or develop a new process, product or service or improve an existing one
- Project must aim to create an advance in the overall field, not just for your business
- Project must relate to an existing trade or one you intend to start following R&D
- Project can still be an advance if being developed elsewhere but it is not publicly known or available

What are the benefits?

- Small and medium-sized enterprises (SMEs) can receive tax relief of up to 230% on their qualifying R&D costs
- Can claim a tax credit if the company is loss making, worth up to 14.5% of the surrenderable loss
- RDEC scheme available for larger companies

What costs qualify?

- Staff costs, including salaries, Employer's NIC, pension contributions and reimbursed expenses
- Subcontractors and freelancers
- Materials and consumables, including heat, light and power that are used up or transformed during the R&D process
- Some types of software
- State funded grant aid can affect the qualifying costs

About Roake & Cook Limited

Roake & Cook Limited was founded to help business owners. With over 20 years experience of working with small and medium sized enterprises, we are able to offer advice and support to help your business thrive and grow.

Our services include:

- ✓ Bookkeeping
- ✓ Payroll
- ✓ Cloud migration
- ✓ Accounts and Tax Returns
- ✓ Management reporting

How can we help your business?

Contact Roake & Cook Limited for a free consultation on whether your business can benefit from R&D Tax Credits.

Call us on 07944855189

Email us at admin@roakeandcook.co.uk

Visit us at roakeandcook.co.uk

