

Press Release

24 May 2010

Companies urged to take up Research & Development tax break

Armstrong Watson is advising companies to take advantage of a Research & Development (R&D) tax break being offered by HM Revenue & Customs (HMRC).

Research and Development Tax Relief was introduced in April 2000 for small and medium sized companies, with a similar scheme launched two years later for larger companies. It aims to provide extra tax relief for limited companies' expenditure in this inventive arena.

The relief, allowing an extra 75% tax relief for SMEs, is available on various types of expenditure incurred on any R&D that is groundbreaking and innovative on an industry-wide scale.

The Conservatives had, initially, sought to scrap the relief as part of their corporation tax simplification review but following advice from industry the Coalition Government has pledged to keep it by refocusing on high tech, small and start up companies.

Growing evidence uncovered by Armstrong Watson is illustrating that many companies are not taking advantage of this generous relief and they could be losing out on thousands in extra tax relief or, indeed, foregoing tax losses for more useful tax-free cash refunds.

Nigel Holmes, Director of Corporate Tax, has been involved in a number of claims since the scheme was introduced. He has had many successful claims in the engineering, manufacturing, IT, nuclear and pharmaceutical sectors. Nigel states, "Many companies have a misconception about the relief – they either think it is not available, it is costly to

claim or it is not worthwhile. I challenge all three of these misconceptions. With good proactive advice we can maximise claims, present them in a format acceptable to HMRC and ensure the benefit outweighs the cost”.

For more information visit Armstrong Watson's website:

www.armstrongwatson.co.uk/r-and-d

or contact Nigel Holmes on 01228 690200 or 01387 269726.

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