

What is RDEC?

The Research and Development Expenditure Credit (RDEC) scheme was introduced for large companies on 1 April 2013 as a 10% benefit. From 1 January 2018 this increases to 12%.

It is given as a taxable credit on the amount of qualifying R&D expenditure payable as cash or as an offset against the company's corporation tax liabilities.

A company can claim RDEC going back two full financial years.

What does it mean for you?

R&D for Tax purposes does not necessarily mean blue-sky research which is a common misconception that can prevent companies from receiving the benefits from HMRC that they are entitled to.

RDEC allows the benefit of R&D to be accounted for within the Profit and Loss (P&L) account, above profit before tax, rather than only through the tax account. So, under the RDEC scheme, large companies who are loss making are now able to benefit from their development efforts for the first time, by way of an immediate net of tax cash credit, which is tax exempt.

The RDEC also enhances the company's earnings before interest and taxes (EBIT), therefore ends up being more lucrative for larger companies.

The scheme is now a straightforward subsidy against the level of R&D spend that your company incurs.

How can we help?

Irrespective of what industry or sector you are, **GovGrant** can help you identify eligible activities for R&D for tax purposes. We have a well-established, strong relationship with HMRC and, because we prepare R&D claims daily, **GovGrant** are always on top of the latest changes in legislation. You can rely on our expertise, leaving you to focus on your main business.

- We will tailor a costing and technical methodology specifically your business. This will minimise the complexity of the claim process and achieve the maximum benefits. We know from experience that every business is unique.
- We will considerably reduce the demand on your staff by doing all the work on your behalf.
- We will ensure a robust claim is put together minimising any risk.

Why choose GovGrant?

We are not another accountancy firm. Here at **GovGrant** we assess your R&D activities by walking the floors and asking you the right questions to truly maximise your R&D claim.

As one of the oldest established R&D tax credit specialists in the UK, we have a wide presence nationally with industry experts such as engineers, scientists and IT specialists alongside qualified tax professionals who understand your business and can develop a robust R&D Claim on your behalf.

GovGrant have a proven track record with HMRC and a well-established claim methodology giving us a 100% success rate.

Our one and only business focus is to offer our clients the maximum potential benefit from the innovation incentives available in the UK for you to grow and expand your business.

Next steps

Get in touch with us by calling our RDEC specialist account manager.

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