

A dark, slightly blurred background image of a factory production line. Several clear glass bottles with yellow caps are moving along a conveyor belt. The machinery is complex, with various pipes, valves, and metal structures visible.

ForrestBrown® webinar

The new era for R&D tax relief
Future proof your manufacturing
business & maximise your
competitive advantage

In partnership with

fdf food & drink
federation
passionate about food & drink



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Senior Associate



James Dudbridge LLB
Director



Peter Beavis MSci PhD
Sector specialist



Part 1

The innovation agenda – what's changed

Part 2

R&D tax relief – how to ensure you're capturing the full value of your innovation

Part 3

Maximise your strategic advantage – principal recommendations



Part 1

The innovation agenda What's changed?

Total cost of R&D
tax relief in 2018-19:

£5.3bn



R&D tax relief contribution
to the economy:

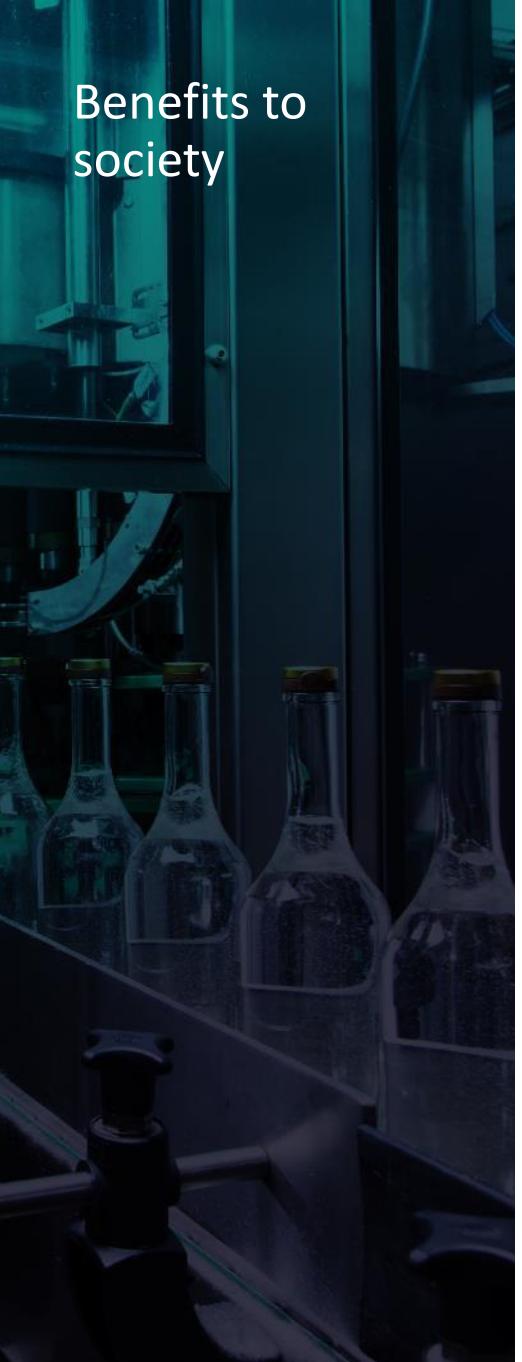
£10.2bn



(£3.8bn for SMEs + £6.4bn for RDEC)

This is equal
to
more than
250,000
STEM
jobs

Benefits to society



Financial

Claimants have an average turnover three times larger than the average.



Competitive

A negative impact on the turnover of competitors.



Geographical

Physical proximity facilitates knowledge diffusion.

The evolving landscape

More businesses than ever are claiming this valuable incentive - 57,355 in 2018-19.



A rise of spurious advisers are wilfully exploiting an unregulated market.



Fraud and error identified to the tune of £311m according to the National Audit Office.



Misplaced confidence and lack of awareness – businesses risk sleepwalking into disaster.



Generosity of the relief has fuelled a highly competitive industry.

The wild west

Our YouGov research showed that a staggering 90% of the 2,004 businesses surveyed did not know the market for R&D tax advice is (largely) unregulated.

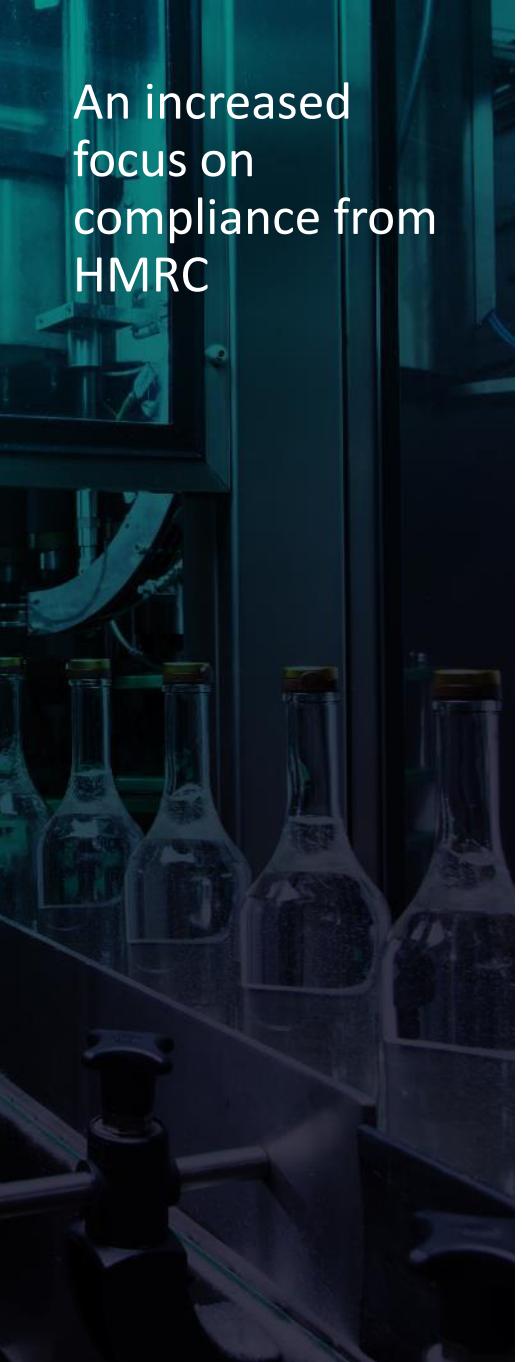
ForrestBrown[®]
In partnership with YouGov

UK R&D tax relief: businesses sleepwalking towards disaster

The truth about R&D tax advice
and how to protect yourself



An increased
focus on
compliance from
HMRC



A sharper focus
on quality

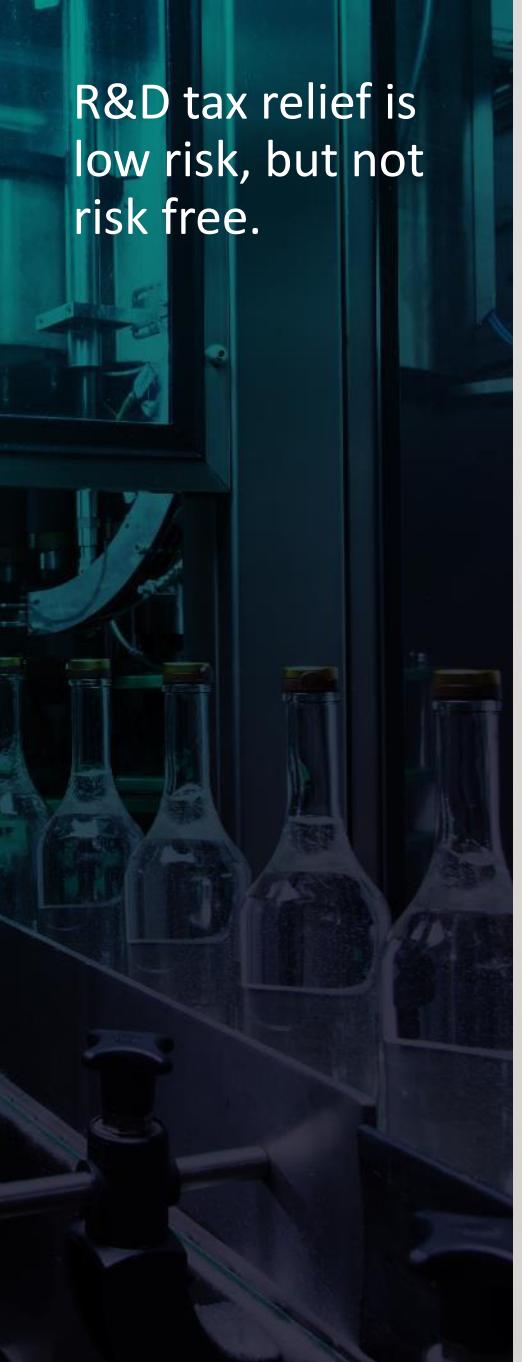


Penalties and
discovery notices



100 new compliance
staff

R&D tax relief is
low risk, but not
risk free.



66

HMRC doesn't publish its enquiry rate. But each officer could be expected to run up to 30 enquiry cases at any one time. With 100 extra pairs of hands, HMRC will have the resources to cover upwards of 3,500 enquiries at a time in 2021.

Mark Andrew
Former HMRC inspector and ForrestBrown Senior tax specialist



The R&D tax relief consultation



Our key recommendations:



A better, more modern definition of R&D



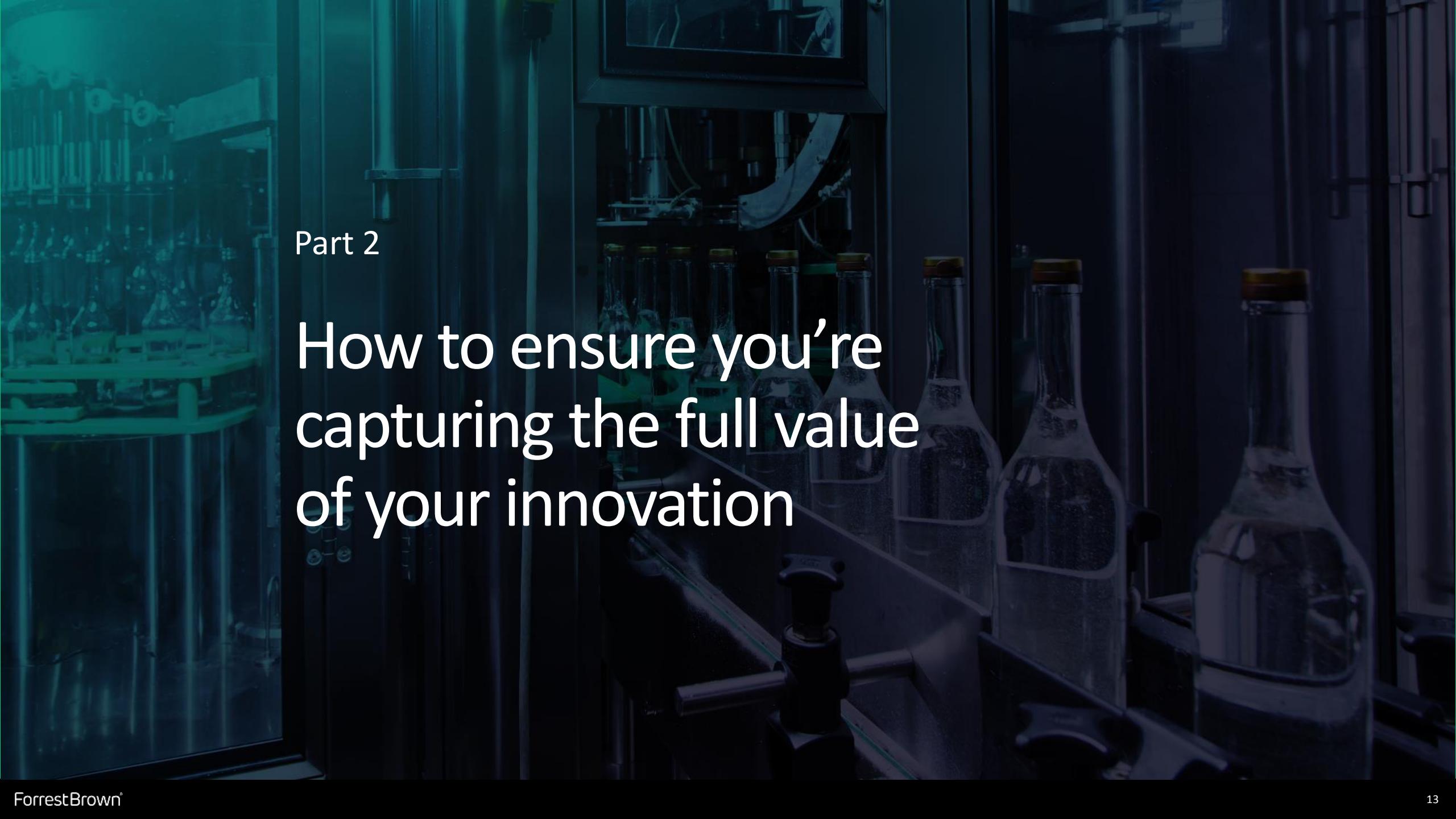
Clear regulation of the incentive



Streamline the rules – RDEC for all

Read more: What's happening and why?





Part 2

How to ensure you're
capturing the full value
of your innovation

Is my business eligible for R&D tax relief?



- ✓ A limited company subject to Corporation Tax.



- ✓ Carrying out qualifying research and development.



- ✓ Have spent money on these projects.

WIPER AND TRUE



We had researched the R&D incentive before, but assumed it wouldn't amount to much for us. That changed when we met a fellow brewer who shared their success story. At this point we realised this wasn't an opportunity we could afford to miss.



We've been delighted with the funding we've received via the incentive. We've reinvested our benefit into our latest venture – brewing different styles of beer using innovative techniques.

Michael Wiper, Founder and Managing Director



Do you qualify
for SME relief or
RDEC?

SME

Average claim:

£57,228

Worth up to
33p for every
£1 spent

RDEC

Average claim:

£332,160

Worth
11p for every
£1 spent

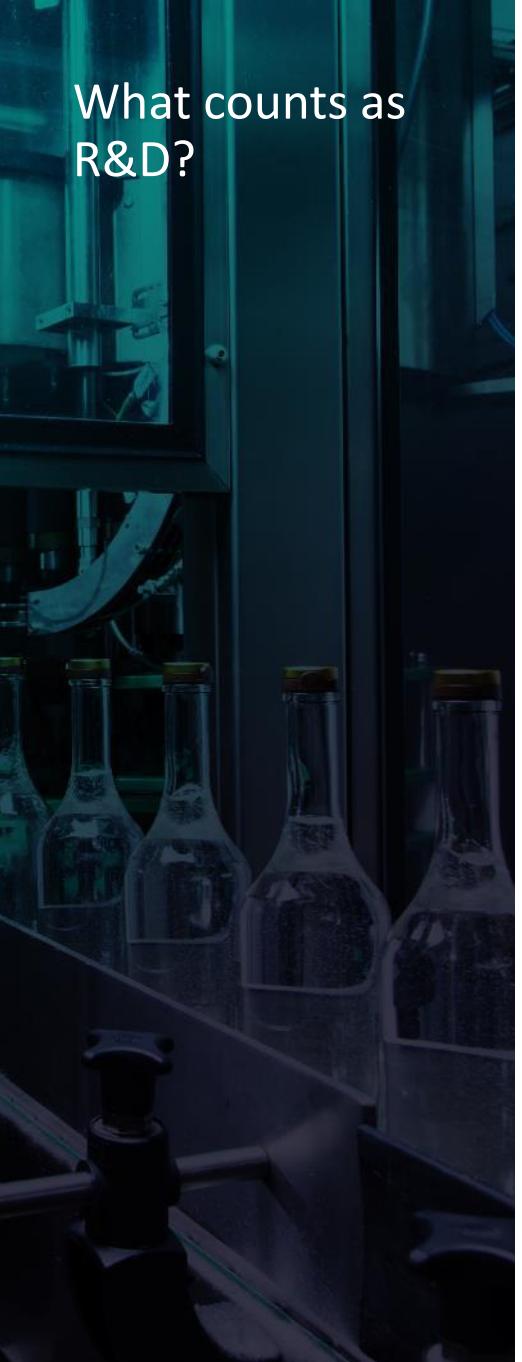
“

R&D takes place when a project seeks to achieve an advance in science or technology through the resolution of scientific or technological uncertainty.

”

Guidelines 2014

What counts as
R&D?



Do you encounter
head-scratching technical challenges in
your projects?



Are you using technical
expertise to develop and
deliver solutions?



8 ways you might be carrying out R&D in food and drink manufacturing



Developing new manufacturing processes to allow production to be scaled effectively



Developing new and improved bottling or canning processes.



Creating new chilling methods to speed up production.



Creating cutting-edge manufacturing equipment.



Adapting ingredients to increase the shelf-life of a product.



Reformulating products to reduce fat and sugar content.



Developing software to manage production lines.



Replicating animal-derived products for vegetarian and vegan markets.

Consider quantifying coverage of sector specialists



Tom Heslin MSc
Software



Tree MA (Cantab) MBCS
Software and hardware



Peter Beavis MSci PhD
Chemicals/materials



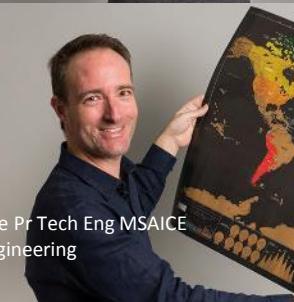
Mike Harrison BSc Eng ACGI MNI
Structural and mechanical engineering



David North BEng
Digital and software



Gareth Randle Pr Tech Eng MSAICE
Structural engineering



Robin Taylor
Automotive body structure and
electromechanical systems



Ben Wyatt
Digital



Kim Malik PhD
Materials science,
chemistry and food
science



Ryan Barr
Geophysics



Alex Oliver PhD
Chemistry



Isaac Greenbury ATT
Geoscience



Amalia Westerlund MSci
Scientific and technical



Jim Haire AAT
Aeronautical engineering



Julian Ford
Electrical engineering



Holly Washington
Chemistry





ForrestBrown have gone above and beyond to set us up for success in our future claims. Besides preparing our first claim at pace, their sector experts have helped us organise our projects and record-keeping practices to ensure that the process is smooth and simple for us going forwards.

Harriot Pleydell-Bouverie, Founder



Part 3

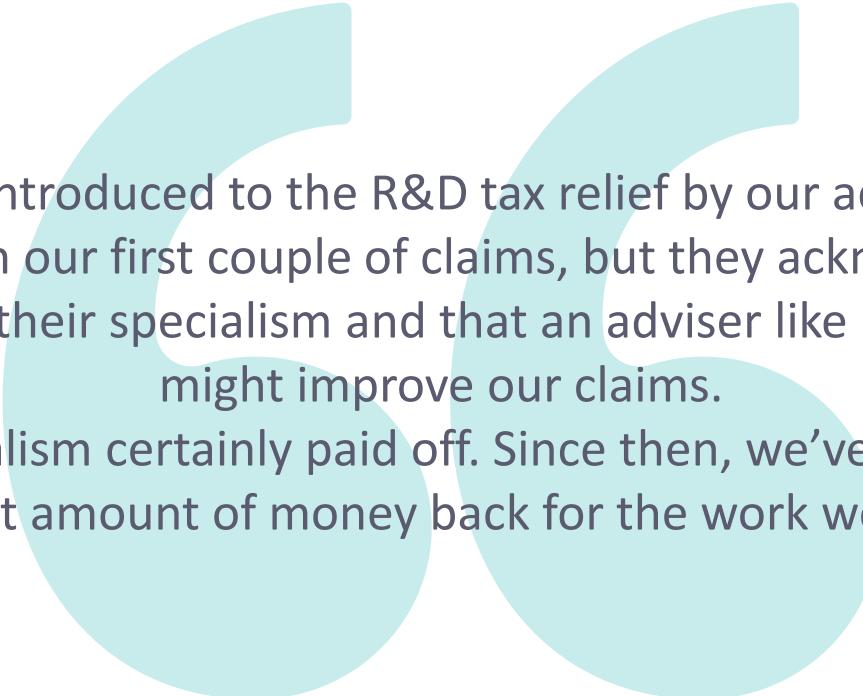
How to maximise your strategic advantage



How to identify untapped opportunities

Ask yourself the following questions:

		Yes
1	Are you sure you understand which of your COVID-19 projects count as R&D?	
2	Are you spending too much or too little time preparing your claim?	
3	Are you up-to-date on HMRC's approach and what changes you need to make to your next claim?	
4	Do you understand how your business plan will impact your future R&D tax relief claims?	
5	Does everyone in your business understand the commercial value of your investment in R&D?	
6	Do you understand how your contracts affect your eligibility?	

Three overlapping teal circles of varying sizes are positioned in the center of the slide, partially obscuring the text. The circles overlap in a triangular shape at the top and a circular shape at the bottom.

We were first introduced to the R&D tax relief by our accountant. They helped us with our first couple of claims, but they acknowledged that R&D wasn't their specialism and that an adviser like ForrestBrown might improve our claims.

The specialism certainly paid off. Since then, we've received a significant amount of money back for the work we've done.

Thomas Hunt, Managing director, Hunt's Foodservice

Have any
questions?

We'd love to hear
from you

James Dudbridge LLB
Director

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