

UNLOCK THE POTENTIAL OF R&D FOR YOUR BUSINESS



Research and Development (R&D) helps companies innovate and improve products or services, essential for competitiveness and growth. R&D Tax Relief, a UK government incentive, encourages innovation and increased R&D spending. Many business owners overlook claims due to misconceptions about required innovation levels or lack of awareness.



R&D Tax Relief

- **Eligibility:** Qualifying projects are those that aim to advance the overall knowledge or capability in a field of science or technology through the resolution of scientific or technological uncertainties. Such projects may create or appreciably improve a process, material, device or product.
- **Types of Relief:** Includes the SME scheme, R&D expenditure credit, and enhanced support for loss-making SMEs.
- **Qualifying Costs:** Salaries and staff expenses (including contractor costs), materials, software, prototypes, clinical trials, data and cloud computing costs, utilities directly related to R&D activities, and more (even if the activity was unsuccessful).

HOW MUCH COULD COMPANIES CLAIM?

	SME R&D Tax Relief		RDEC		Merged Scheme	Enhanced R&D Support
Type of Company	Before 1 April 2023	After 1 April 2023	Before 1 April 2023	After 1 April 2023	From 1 April 2024	From 1 April 2024
Profit-making SME	Up to 24.7%	Up to 21.5%	Up to 10.53%	Up to 16.2%	Up to 16.2%	
Loss-making SME	Up to 33.35%	Up to 18.6%	Up to 10.53%	Up to 15%	16.2%	
R&D Intensive SME		Up to 27%				Up to 27%
Large companies			Up to 10.53%	Up to 16.2%	Up to 16.2%	

For a detailed breakdown of the relief that can be claimed, [please visit our website](#).



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STEP-BY-STEP GUIDE FOR CLAIMING R&D TAX RELIEF

Claiming R&D Tax Relief can significantly benefit your business; follow these step-by-step instructions to navigate the process and maximise your claim.



➤ 1. IDENTIFY QUALIFYING PROJECTS AND TRACK COSTS:

Determine which projects qualify as R&D according to HMRC guidelines, and track all associated costs.

➤ 2. DETERMINE THE APPROPRIATE R&D TAX RELIEF SCHEME

- For accounting periods beginning before April 1, 2024, you can apply through the R&D Expenditure Credit (RDEC) or the SME tax relief scheme.
- For accounting periods beginning on or after April 1, 2024, you need to apply through the merged scheme or the Enhanced R&D Intensive Support (ERIS) scheme.

➤ 3. SUBMIT A CLAIM NOTIFICATION FORM:

R&D claim notification is the process of notifying HMRC that you will be making a claim for R&D tax relief. It is a requirement for companies who are claiming R&D tax relief for the first time, and those who have not claimed in the last 3 years before the last date of the claim notification period. Eligible businesses must notify HMRC by submitting a claim notification form. The claim notification period starts on the first day of the financial period (the time covered by your financial statements) and ends 6 months after the end of the period.

➤ 4. COMPLETE THE ADDITIONAL INFORMATION FORM (AIF):

The Additional Information Form (AIF) is a mandatory part of the R&D tax claim process with HMRC and is designed to provide detailed information about your R&D activities and expenditures. This form must be submitted before the main claim and company tax returns.

➤ 5. PRODUCE AN R&D TAX CREDIT REPORT:

Detail all your R&D projects, costs, and how they meet HMRC's criteria.

➤ 6. PREPARE THE TAX CALCULATION:

Calculate your adjusted trading profit or loss, including the additional deduction for R&D expenditure.

➤ 7. COMPANY TAX RETURN:

Complete the relevant sections of your Company Tax Return (CT600) and the supplementary form (CT600L), if applicable.

➤ 8. SUBMIT THE FORMS:

Submit your completed forms to HMRC along with your Company Tax Return.



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TIPS FOR A SUCCESSFUL CLAIM – HOW CAN DIXCART HELP?

DEADLINES FOR TAX RELIEF APPLICATIONS

Claims must be submitted within 2 years after the end of the accounting period in which the R&D expenditure was incurred.

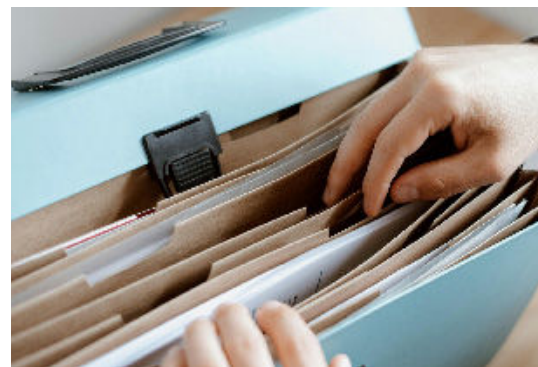
- Maintain detailed records of all R&D activities – this includes initial designs, project notes, challenges faced, attempted solutions, and results (even if unsuccessful). Consistent tracking will make it easier to compile your claim.
- Track time and Expenses systematically so you can accurately calculate eligible costs.
- Include failed projects as R&D tax relief is not just for successful projects – efforts that seek to overcome technical uncertainties, even if they did not achieve the intended results, still qualify (this includes competitions too).
- Identify subcontracted R&D and ensure these costs are claimed where eligible too.
- Review past projects that might not have been claimed previously – it is possible to amend tax returns to include missed qualifying R&D activities from the last 2 accounting periods.
- Prepare a robust narrative that clearly explains the projects, the R&D activities taken, the technical uncertainties involved and how they were resolved, to help HMRC understand the scope and significance of your work.

Finally, use a specialist – clients can outsource the entire process to us, making it as straightforward and seamless as possible. We can help identify qualifying projects and expenses and help prepare an accurate and effective claim. Many business owners overlook claims due to misconceptions about required innovation levels or lack of awareness.

Our combined tax, legal, and accounting professionals will build and evaluate your R&D claim to maximise the relief available. We deal with everything from start to finish, including HMRC approval, the drafting of documents including, but not limited to, the claim, accompanying report, and submission of the finalised paperwork.

Get Started Today! Contact us to learn how we can help you

CONTACT US



This document has been prepared by Dixcart for the information of clients and associates. Whilst every care has been taken in its preparation, no responsibility can be accepted for inaccuracies. Readers are also advised that the law and practice may change from time to time.



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