

Black Country duo brings relief to hard-pressed manufacturers

Two accountants from the heart of the Black Country have set up a nationwide service, aiming to make sure manufacturing SMEs receive the tax rewards they deserve for investing in R&D.

Mark Evans and Brendan Molloy established Wolverhampton-based R&D Tax and Grants Ltd earlier this time last year, to help companies identify, and maximise, claims for corporation tax refunds.

Tax Relief for R&D is an EU programme, designed to stimulate spending on research throughout Europe, but the take-up by British firms has been disappointingly low.

"We think more than 150,000 SMEs could probably benefit from this scheme, just in the UK, but compared with the rest of Europe, this country has been particularly poor in taking advantage," says Mark.

"The scheme has been badly marketed by the government, which talks about R&D 'in the fields of science & technology', as if this is targeted at people in white coats working on a cure for cancer, or developing a new jet engine, but a wide range of industrial firms can benefit.

Any manufacturing or engineering company involved in innovating, improving, developing or adding value to their products is eligible.

Quite often, firms can even benefit by making the same basic product, but in a more efficient and environmentally friendly way.

His colleague, Brendan, believes the second major handicap has been lack of sectoral knowledge, among the majority of accountancy firms acting for SMEs.

"Having been in the Chartered Institute of Accountants for almost 30 years, I can honestly say that most members lack the understanding of how manufacturing works, to even determine if a potential tax claim for R&D investment exists, let alone to manage the claim successfully," he admits.

"I've been working as an accountant in industry since I qualified, and Mark first worked for manufacturing clients in the late 1980s, so we do know quite a bit about the sector.

"We met towards the end of 2008, decided to set up a niche consultancy helping SMEs win tax relief under the EU programme, and in early 2009, we opened an office on the Pendeford Business Park, on the outskirts of Wolverhampton."

The fledgling RDTG venture has already advised more than 30 firms nationwide, across the engineering, medical, pharmaceutical, software development and electronics sectors. However, so far RDTG have achieved most success with manufacturing companies with annual sales between £1m and £20m although the SME scheme is now available to any company with less than 500 employees and sales of up to 100 million euros.

"We keep a 'clock' running on our web site - www.taxandgrants.co.uk - of how much money we have saved for our clients since 1 April 2009. By the end of our first nine months the figure has passed £850,000" says Mark.

"I'm sure that much of our success is down to the excellent relationships we have established, with the seven HMRC offices dealing with R&D tax claims. We also don't charge fees upfront, so if we don't win, the client pays nothing. Our fees are performance-related, and will typically be 20% of the tax we recover."

One of RDTG's first clients was a leading manufacturer and supplier of under-pressure drilling machinery, equipment, and associated engineering consultancy services to the international water and gas industries.

It had invested heavily in two large R&D projects; a flow-stopping system, allowing servicing to mains gas pipes to take place without disruption, and with minimum groundwork, and the design and prototyping of a new-style valve for a river project in North Africa.

"We managed to reclaim almost £23,000 in overpaid corporation tax, and it took only a little over three months, from our first meeting to receipt of the first cheque from HMRC," says Mark.

"The process might not always be so swift, and the sums recovered do vary, but it does show the rewards that can be achieved."

For more information about RDTG's services, please ring Mark Evans on 01902 783 172 or email him at mark@taxandgrants.co.uk



Did you know you may be entitled to a significant Corporation Tax Refund?

R&D Tax and Grants Ltd can help you claim extra tax relief on every £1 you've spent developing your products or introducing new processes - going back 2 years!

We're working with SMEs* nationally to help them receive substantial tax refunds immediately - as well as similar annual reductions on their corporation tax bills in the future.

This is a Government-backed initiative instigated by the European Union to encourage SMEs to develop their products and processes.

Manufacturing, engineering, electronics, communications and transport companies are all eligible - but many don't even know about this scheme or if they do, don't know how to make a valid claim!

*Companies with less than 500 employees and a turnover of less than 100 million euros

To see if your company is eligible, please call:

Mark Evans now on **01902 783172** or email **mark@taxandgrants.co.uk** for more information

What have you got to lose?

'No win..... No fee!'

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