

IS YOUR COMPANY MISSING OUT ON R&D TAX RELIEF?

MENZIES
BRIGHTER THINKING

TRANSPORT & LOGISTICS

The definition of R&D is much broader than many businesses imagine and despite less than 1% of all R&D claims being made by businesses in the Transport and Logistics sector, we have made a number of claims for our clients in this sector and believe many businesses are still missing out.

WHO QUALIFIES?



Any company that resolves difficulties or challenges and applies technology or science to do so should consider the relief, whether they undertake the work on their own behalf or on behalf of others. Consider the checklist below to see if you qualify:

FIVE STEP CHECKLIST

1

Are you a company?

The relief is only available to companies subject to corporation tax.

4

Are you resolving difficulties or challenges and applying technology or science to do so?

2

Have you generated a new product or process or enhanced an existing product or process?

5

Do you own the IP/Have you taken on the financial risk? This is normally a good indicator of who has carried out the R&D.

3

Does your new product or process represent an advance in the industry or something which was not currently available on the market? Creating products/processes which replicate what is available on the market can still qualify, if the solution is not publicly available.

WHAT IS THE BENEFIT?

SMEs obtain an additional tax deduction of 130% of the qualifying R&D expenditure, meaning:

Profitable companies paying tax

An SME who is tax paying will save **£24.70** in tax for every £100 of qualifying R&D expenditure identified

Loss making companies not paying tax

You can still benefit even if you are loss making and not paying tax. An SME who is loss making will receive an R&D tax credit repayment from HMRC of up to **£33.35** for every £100 of qualifying R&D expenditure identified.

CONTACT US

For more information, please contact us via the details below.



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AREAS WITHIN TRANSPORT & LOGISTICS WHERE R&D COULD BE CLAIMED

The following are sector specific examples of projects which would be likely to qualify for R&D tax relief:



Investment in new technology, including online booking systems, tracking systems, seat booking systems, etc



Development of new / existing and innovative processes, for example more efficient fleet management



Investment in the development of (energy) efficient processes and controls, i.e. to improve fulfilment efficiency



Enhancing current processes, for example to better connect different elements of product inventories



Investment in the development of green technologies, including the lowering and monitoring of emissions



The 'Internet of Things' – connecting different technologies together in new ways for the purpose of exchanging data with various devices and systems

CASE STUDY

Menzies produced a claim for a company whose primary focus is to operate at the midpoint of the global logistics industry and to provide high quality international courier services to customers in the UK.

The claim consisted the development of novel and bespoke functionality and features, to include a waybill calculator, integration with TomTom navigation and routing, monitoring shipments in transit and stock and a tracking import facility.

Menzies were able to identify the potential opportunity to claim R&D tax reliefs and obtain tax repayments, by taking a hands-on approach throughout the process and utilising their specialist knowledge to secure R&D tax repayments.

Menzies were able to obtain significant tax savings/repayments.

Over the years Menzies have shown the technical expertise and professionalism we would expect in dealing with a group of our size, and this includes a range of experts outside of the core audit team. At the same time they have maintained the personal touch, ensuring a close working relationship and regular communication. We have benefitted from their expertise in the Transport and Logistics sector and have been impressed with their collaborative approach. For example they recently introduced us to contacts within the sector with which we have subsequently sought to work. We would highly recommend them to any companies in our industry.

Kevin Fry, Finance Director
TransOcean Bulk Logistics Limited