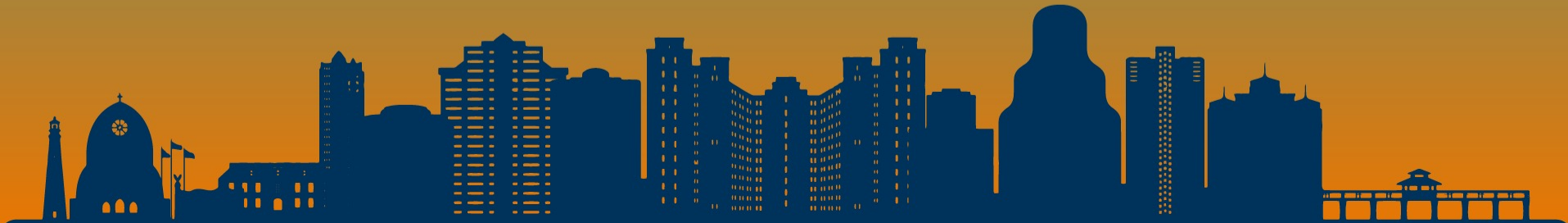


TIM LWIN FCA CTA – AFFORD BOND  
18 APRIL 2024



# REIMAGINE NOW

LEA GLOBAL EUROPEAN REGIONAL CONFERENCE



# UK R&D REGIME – BACK TO THE FUTURE

- Benefit for Existing UK Subsidiaries
- Benefit for New UK Subsidiaries
- What is R&D?
- What costs to include?
- How to claim R&D Tax Relief?
- Next Steps?



# Benefit for Existing UK Subsidiaries

## SMALL COMPANY - “SME REGIME”

- Less than 500 employees AND either
- Annual Turnover less than 100m Euros OR
- Balance sheet less than 86m Euros
  - Group companies
    - More than 25% capital and shares
    - Common Control

# Existing Subsidiaries

## SME REGIME

- 2 Years from accounting period – 31 March 2023 – R&D claim by 31 March 2025
- Refund of Overpaid Corporation Tax
- Increase Tax Losses – refunds?
  - Group relief
  - Carry Back – Forward
  - Claim tax free cash from HMRC – 14.5% of loss

Year ended **31 March 2023**

Spend £100k on R&D

UK HMRC increase by  
130%

£130k Extra Tax Deduction  
– Extra Tax Losses

Tax Refund @19% -  
**£24,700**

# Existing Subsidiaries

## SME REGIME

- 2 Years from accounting period – 31 March 2024 – R&D claim by 31 March 2026
- Refund of Overpaid Corporation Tax
- Increase Tax Losses – refunds?
  - Group relief
  - Carry Back – Forward
  - Claim tax free cash from HMRC

Year ended **31 March 2024**

Spend £100k on R&D

UK HMRC increase by 86%

£86k Extra Tax Deduction  
– Extra Tax Losses

Tax Refund @25% -  
**£21,500**

# Existing Subsidiaries

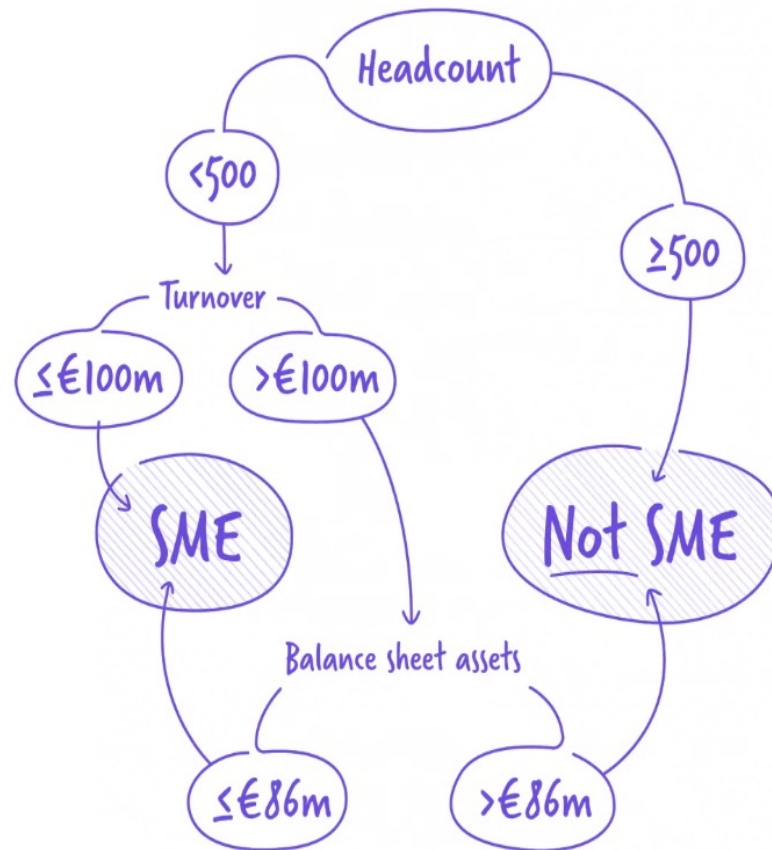
## Large Company - RDEC Regime

Before 31 March 2023 – 13%

Spend £100k - £13k – Taxable Credit –  
£10,500 net credit surrender to group

Before 31 March 2024 – 20%

Spend £100k - £20k – Taxable Credit –  
£15k net credit surrender to group



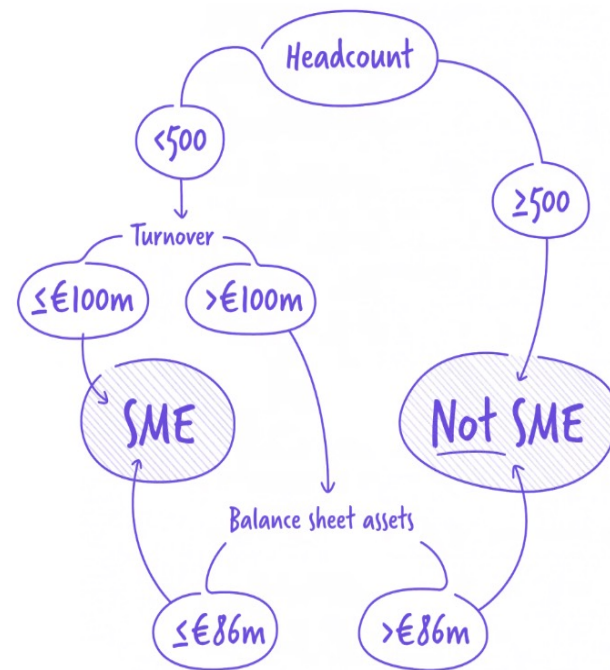
# R&D - New Subsidiaries

## ALL Companies - RDEC Regime

After 1 April 2024 – 20% taxable credit

Spend £100k - £20,000 taxable credit

£15,000 credit surrender to group



# UK R&D REGIME - What is R&D?



Platform



Performance

Process





# UK R&D REGIME - What costs to include?



65% of INVOICE

SALARIES, NIC  
AND  
PENSIONS



# UK R&D REGIME – How to claim R&D?



P P P



# UK R&D REGIME – THE R&D REPORT



## NEXT STEPS

Tim Lwin FCA CTA

07725 257783

[tim.lwin@affordbond.com](mailto:tim.lwin@affordbond.com)

