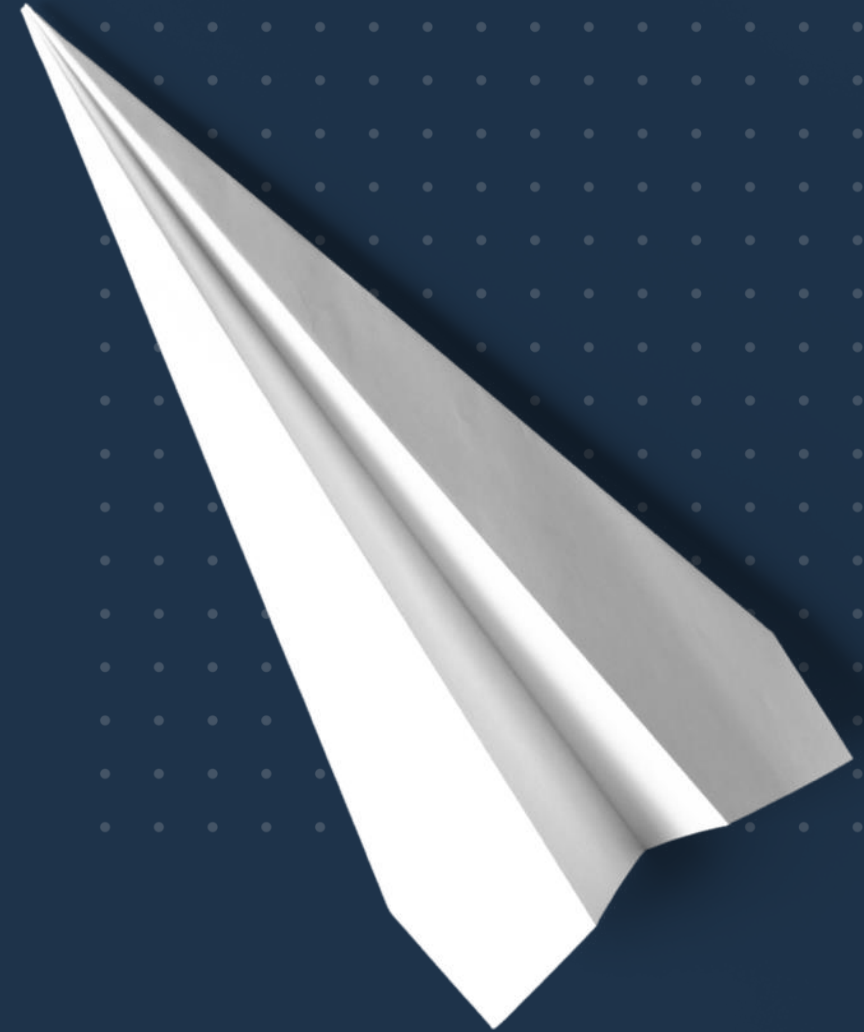


# Partner Update

May 2023



| Innovation



# Thank you for joining us!



Jo Rudzki  
Partner Relationship  
Manager



Esther Lawrence  
Senior Business  
Development Manager



Ian Davie  
Senior Consultant

Topic	Speaker
Grant Funding Update	Esther
R&D Tax Update	Ian
Partner Referral Scheme Update	Jo

# Our Services



## R&D Tax Credits

We bridge the technical expertise gap between you, the client, and your accountant to ensure you submit a robust and successful R&D Tax Credit claim to HMRC.



## Grant Funding

We identify appropriate funding sources, write applications and technical reports, as well as reviewing and resubmitting previous applications.



## Video Games Tax Relief

Similar to R&D Tax Relief, Video Games Tax relief can be claimed by businesses who are liable to pay corporation tax. We can check your eligibility and support in making a claim.



## Capital Allowances

We support in receiving capital allowances on assets owned by the business and used by the business. Capital Allowances can cover things such as building premises, equipment and machinery.



## SEIS / EIS Support

We support businesses looking for investment, to grow and develop by two generous tax relief schemes which make businesses a more attractive and less risky investment opportunity.



## Patent Box

If you're creating IP within your business that's patented and liable to pay corporation tax, you may be eligible to claim relief on the amount of corporation tax paid by the business.

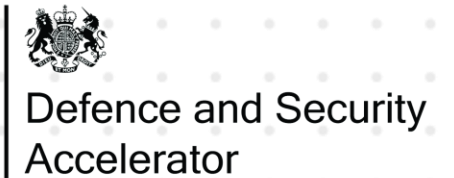
# Grant Funding



# Funding Bodies



Innovate  
UK



# Grant Funding Landscape

MAY 2023

JUNE 2023

JULY 2023

AUG 2023

SMART Grants

SMART Grants

Advancing precision medicine: Round 2

APC - Advanced Route to Market Demonstrator 2

India – UK Collaborative R&D for industrial sustainability

Faraday Battery challenge round 6

Farming Futures: Environmental resilience

Future Economy Investor Partnerships SME: round 2

DASA Open Call for Innovation

# Innovate UK: Smart Grants

R&D Funding for disruptive, innovative projects in any industry sector.

Projects must demonstrate:

- Innovation leading to a new product, process or service
- A strong and deliverable business plan
- Clear & anticipated growth impact, leading to significant Return on Investment



Feasibility Studies



Industrial  
Research



Experimental  
Development

# Innovate UK: UK Collaborative Grants

R&D Funding for disruptive, innovative projects to fund collaborative research and development (CR&D) projects with-

**India, Taiwan, South Korea, Germany, Switzerland**

- Your proposal must include at least one business partner from the UK and one business partner from one the collaborative country.
- A strong and deliverable business plan
- Clear & anticipated growth impact, leading to significant Return on Investment



Feasibility Studies



Industrial  
Research



Experimental  
Development

# The Ideal Grant Funding Client



Innovative business developing new products, processes or services  
Project idea must be pushing further than the current state-of-the-art  
R&D being performed in the UK  
Has cashflow in their business to support the project for the first quarter



## Fee Structure

- Upfront fee
- Success fee - % of grant awarded

# Q&A

Esther Lawrence

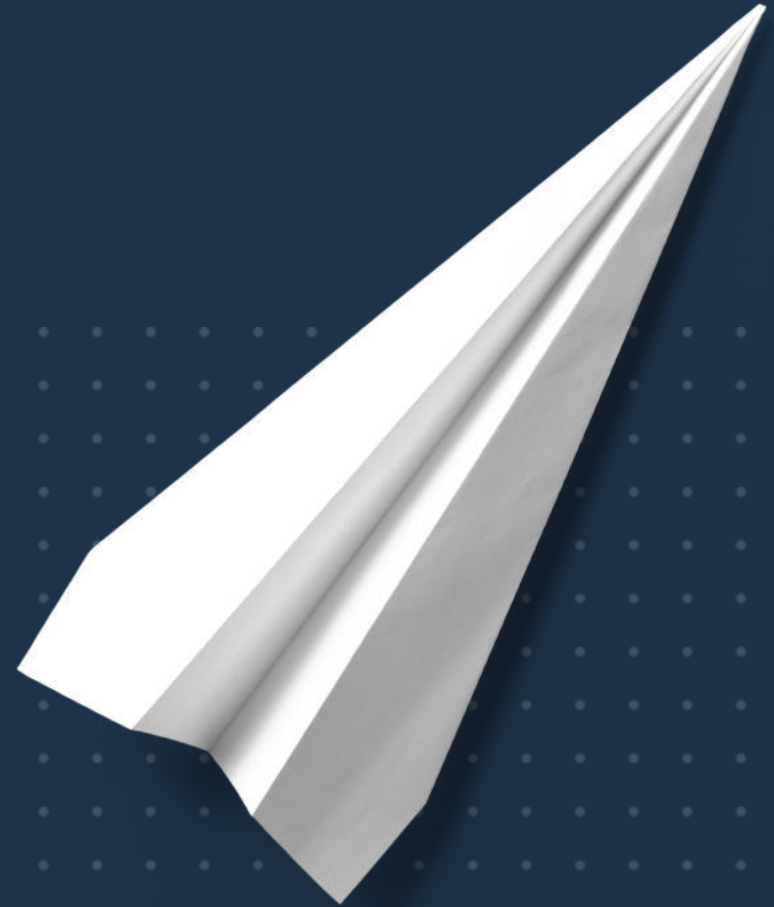
Senior Business Development Manager

[estherl@tbat.co.uk](mailto:estherl@tbat.co.uk)

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# R&D Tax Credits



# Legislation Changes – 1<sup>st</sup> April 2023



SME Scheme uplift to reduce from 130% to 86%.  
Credit rate 14.5% - 10%.

**Research Intensive - retain 14.5% cash in rate (27p/£)**



RDEC rate to increase from 13% to 20%.



Maths, Data & Cloud Computing costs eligible.

Overseas subcontractor costs ineligible. – **from 1<sup>st</sup> April 2024**

**Bonuses – Excluded!**

Increase in Corporation Tax for companies > £250,000 to 25%.

**Additional Information Form – 1<sup>st</sup> August 2023**

**Pre-registration – 1<sup>st</sup> August 2023**

**Combined SME/RDEC scheme from April 2024? → RDEC Type**



# New SME Scheme Rate

	130% uplift	Research Intensive		86% uplift at CT 19%	86% uplift at CT 25%	Research Intensive >40%
Turnover	£100,000	£0	Turnover	£100,000	£1,000,000	£0
Costs	£50,000	£10,000	Costs	£50,000	£970,000	£10,000
R&D Costs	£20,000	£20,000	R&D Costs	£20,000	£20,000	£20,000
Net Profit	£30,000	£-30,000	Net Profit	£30,000	£280,000	£-30,000
R&D Uplift	£26,000	£26,000	R&D Uplift	£17,200	£17,200	£17,200
New NP for Tax	£4,000	£-56,000	New NP for Tax	£12,800	£262,800	£-47,200
CT @ 19%	£760	£0	Corporation Tax	£2,432	£65,700	£0
Profit to take home	£29,240	£0	Profit to take home	£27,568	£214,300	£0
<b>Benefit</b>	<b>£4,940</b>	<b>£6,670</b>	<b>Benefit</b>	<b>£3,268</b>	<b>£4,300</b>	<b>£5,394</b>
<b>% Benefit</b>	<b>24.7%</b>	<b>33.4%</b>	<b>% Benefit</b>	<b>16.3%</b>	<b>21.5%</b>	<b>27.0%</b>

# HMRC are Investigating because:



Fraudulent or irregular claims.  
Negative media articles.  
Government Focus.



How many reports are read and is HMRC in control?



2020 SME scheme claimants and values are growing  
£4.3b up 24%  
76,225 companies up 16% \*

\* Provisional figures published April 2022

# HMRC Enquiries



Enquiries are looking for:

- Fraudulent claims
- Spurious claims
- Ineligible R&D activities
- Ineligible expenditure
- Agents



Minimise the chance of enquiries:

- Anti-Money Laundering (AML) check
- Well evidenced technical report
- Compliance with BEIS guidelines
- Correctly apportioned costs

# HMRC Update – Additional Information Form



COMPULSARY from 1<sup>st</sup> August 2023 for all claims



## Prescribed sections

- Business Details
- Agent Details
- Accounting Period
- Qualifying Expenditure – Direct & Indirect
- Qualifying Projects & Expenditure



Competent Persons  
No Pictures!!

# HMRC Update – Approach & Red Flags



- 12-month projects – aligned to the FY
- 30 minutes to review a claim
- H – M – L Risk rating
- Evidence of uncertainty doubts
- Google it!



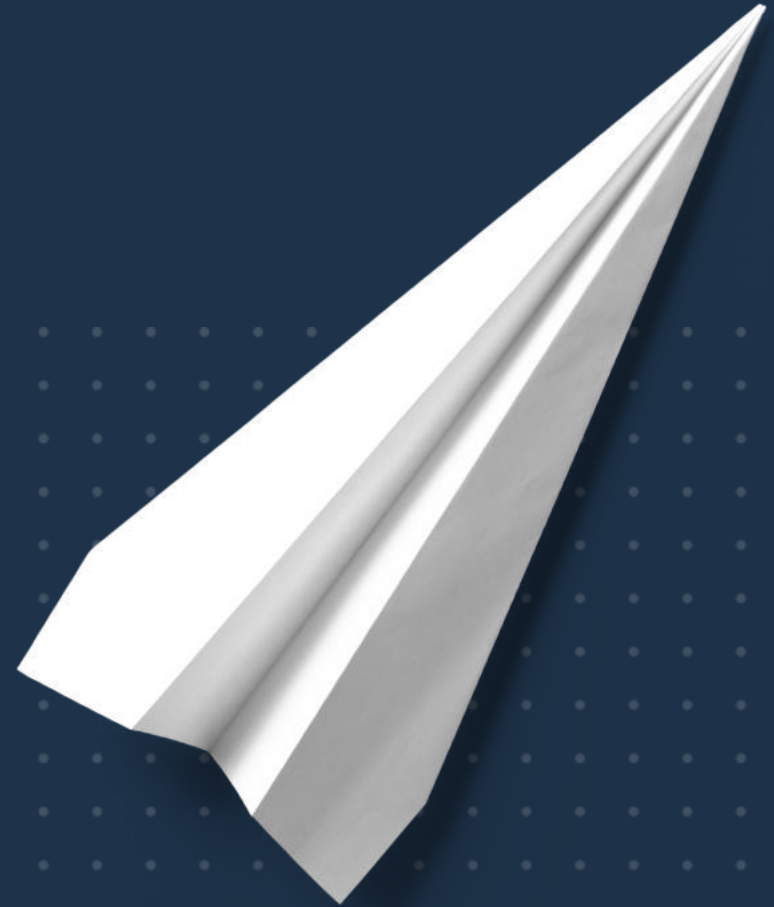
- Competent Professionals
- 2-year claims in one report
- No start and end dates
- No report
- Incoherent finances
- Software
- Unusual Claim Sector
- Agents -high % ineligible claims

# Q&A

Ian Davie  
Senior Consultant  
[iand@tbat.co.uk](mailto:iand@tbat.co.uk)  
07500 989 355



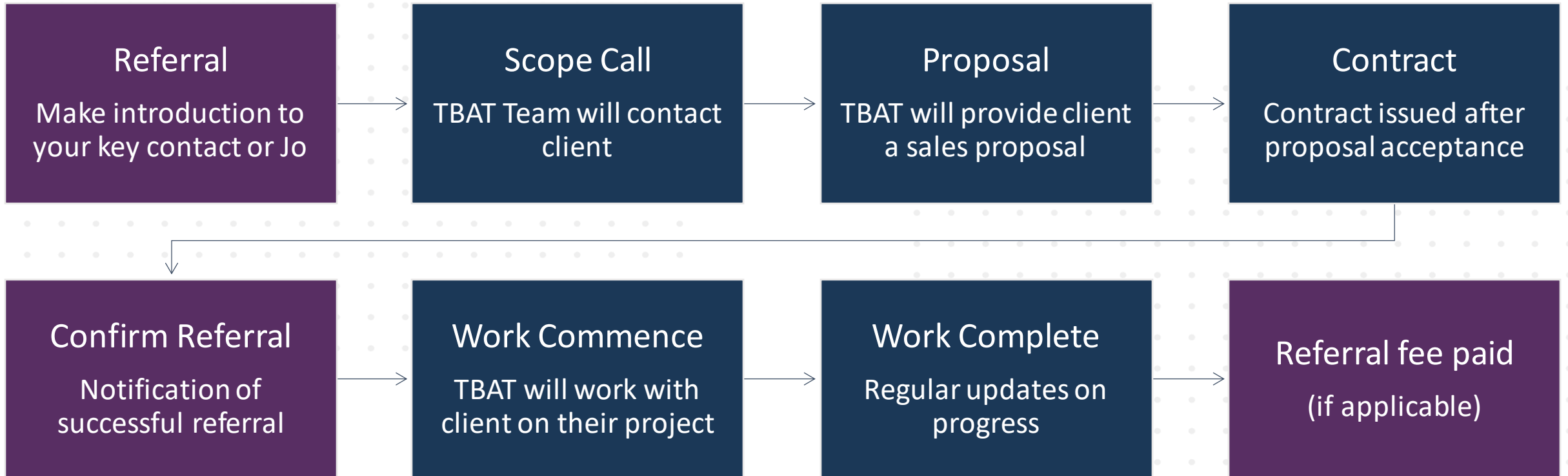
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# Partner Referral Scheme



# The Partner & Client Journey



# Partnership Support



## Information

- Monthly Partner Newsletter
- Monthly Grants Newsletter
- Adhoc Important Updates
- Partner Spotlight
- Collaborative Events for 2023



## Events 2023

### Partner and Pastries:

- 8 June – Colworth Science Park, Bedford
- 20 Sept – Modus Accountants, Oxford
- 8 Nov – Shakespeare Martineau, Nottingham

### Next On-boarding Webinar:

- 13 July

# Partners and Pastries Networking – June 2023



8th June 2023 - 8am – 10am

**Colworth Science Park, Sharnbrook, Bedford – hosted by Pioneer Group**

Informal networking, with 90-second pitch opportunities for Partners & Colworth Science Park Tenants

**REGISTRATION:** <https://tbat.co.uk/partners-pastries-business-breakfast-networking/>

# Innovation Challenge 2023

The Innovation Challenge will see our partners come together to deliver four free-to-attend, vibrant and informative workshops.

Registration now open for Workshops 3 & 4:

- Finance – Recording available
- People and Recruitment – Recording available
- Product Development & Protection – Thursday 25th May 1-5pm
- Commercialisation – Thursday 15th June 1-5pm

Application window to enter the Challenge opened 23rd March and closes on 30th August.

10 Finalists will be invited to pitch at our flagship event on 11th October, where participants will have the chance to win £5000, with the runners-up receiving support packages from our partners.

Further details please visit: [tbat.co.uk/the-innovation-challenge/](https://tbat.co.uk/the-innovation-challenge/)

**THE INNOVATION CHALLENGE**

Powered by **TBAT**

Headline Sponsor

**SHAKESPEARE  
MARTINEAU**



# Thank you!

For more information visit [tbat.co.uk](http://tbat.co.uk)

Jo Rudzki

Partner Relationship Manager

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