PKF SMITH COOPER[®]

Rail Forum Finance Leaders Group R&D tax relief

Presented by Piers Pye-Watson – March 2024



R&D tax reliefs

Introduction O4 How can we help?

02 Current R&D landscape 05 Q&A

Changes from 1 April 2024



Introduction



Piers Pye-Watson R&D Manager

- Joined PKFSC in December 2022
- Over 7 years of experience in R&D tax relief claims
- Nottingham based
- Cover all aspects of R&D claims, including financial, technical, reports, enquiries

Current R&D landscape

SME scheme

Changes from 1 April 2023

- R&D enhancement reduced from 130% to 86%
- Payable tax credit for loss making companies reduced to 10%
- Introduction of R&D intensive companies (eligible R&D equal to 40% of all expenditure)
- Payable tax credit for R&D intensive companies set at 14.5%

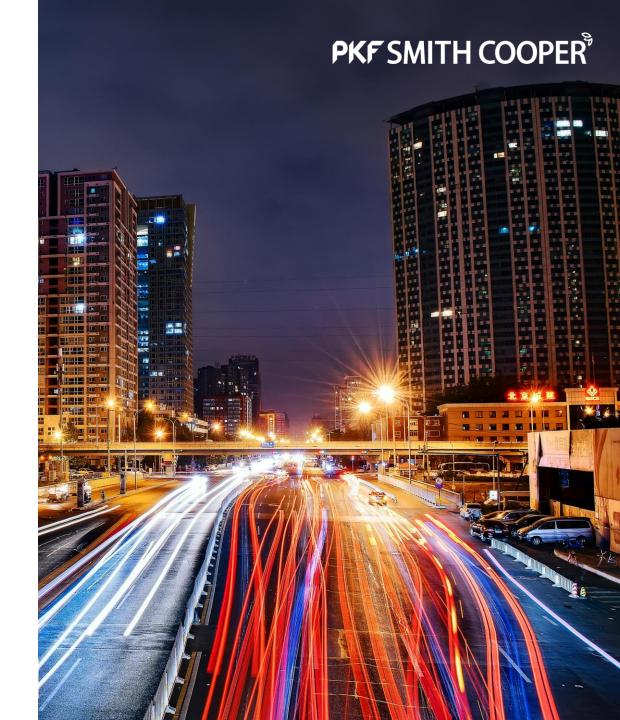
Additional information forms required from 8 August 2023

RDEC scheme

rate increased to 20% (net benefit: 15% - 16.2%)

HMRC enquiries

Increased scrutiny and strict application of guidance Questions over how enquiries are being handled



Changes from 1 April 2024

R&D intensive companies threshold reduced to 30%

Affects accounting periods beginning on or after the 1 April 2024

Offshore activities no longer eligible

Affects accounting periods beginning on or after the 1 April 2024 Applies to subcontracted work performed outside the UK and agency staff (externally provided workers) paid outside the UK

Single scheme

Affects accounting periods beginning on or after the 1 April 2024 20% above the line credit for SMEs and large companies Simplified rules for:

- Contracted out R&D
- Subsidised expenditure



How can we help?

Advisory

Project planning

Advance assurance

Submission of claims

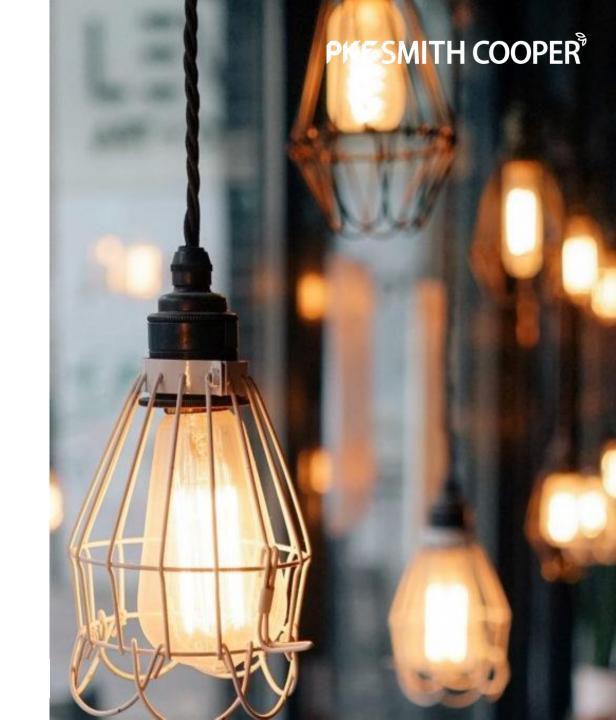
- Assessment of technical eligibility
- Calculation of relief
- Written report and additional information forms

Navigating changes
HMRC enquiries
Insurance



Q&A

Do you have any questions?



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