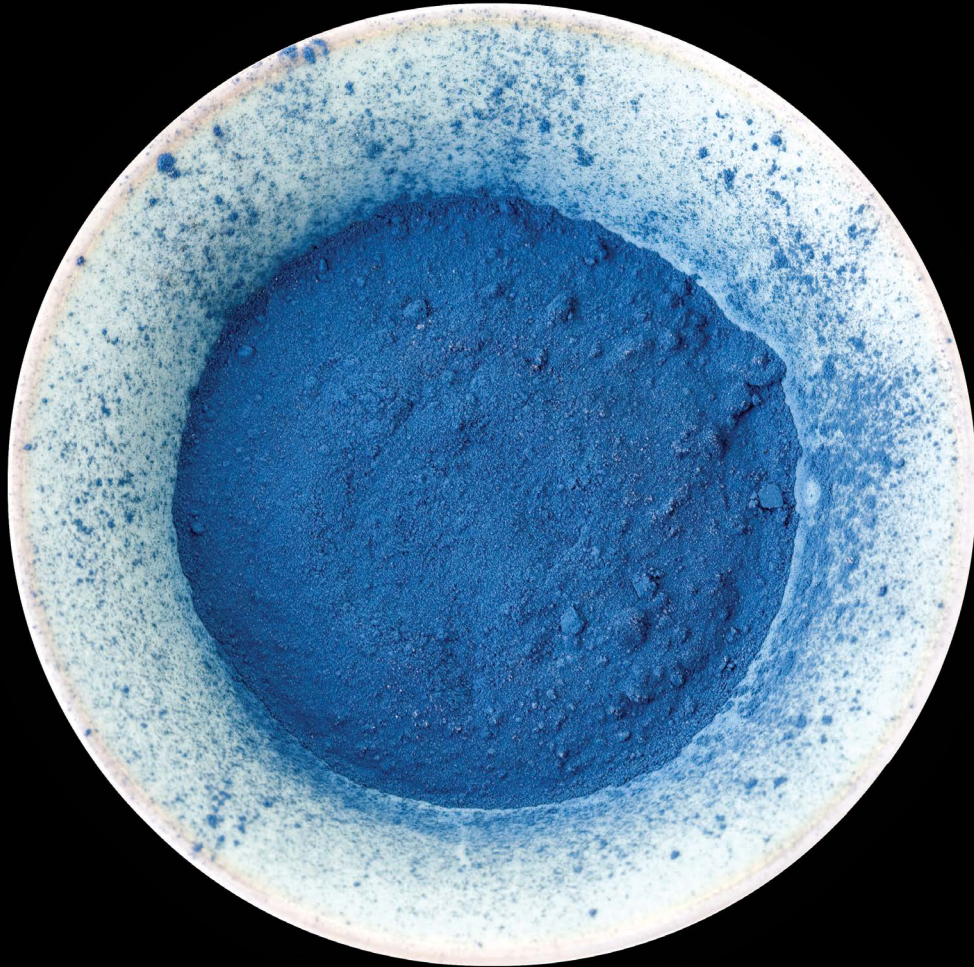


Deloitte.



Look deeper. Seize the opportunity.

Manufacturing

Global Investment and Innovation Incentives (Gi³)

Companies of all sizes can secure significant cash benefits from their innovation activities through the R&D tax relief. Making the claim is a compliance matter, but preparing a claim correctly requires a thorough understanding of the company's underlying technological developments.

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R&D remains a key activity for the vast majority of companies engaged in manufacturing, not only associated with new product and process introduction, but to meet complex supply chain requirements, new regulatory demands, and maintain competitiveness. Although R&D associated with product development can be easy to recognise, the R&D undertaken to drive cost reduction, improve quality and fulfil supply chain demands is much harder to identify.

Staff working on projects of this type will often be based in operations, engineering, technical and supply chain teams, and may not recognise their work immediately as R&D. Recognising the full range of projects that meet the eligibility requirements, and the cross-functional teams supporting these projects, is critical for any successful R&D claim.

The task of justifying the claim often rests with the finance team, who are not familiar with the technology, or possibly senior technical staff who are dealing with conflicting demands. Discussions with our clients show that determining exactly which development activities are eligible, where the technological uncertainty ends, and which costs can be included is extremely difficult for anyone who does not have both an understanding of the technology and the experience of preparing and agreeing multiple claims in the industry.

Also, preparing documentation to support the claim is very different from the documents produced internally on a project, and its preparation can be time consuming for those who are unfamiliar with the complexities of the tax legislation. For a claim to be robust, that documentation must highlight the technological complexities faced, present them in a way that a tax inspector can appreciate and demonstrate a direct link between those complexities and the associated costs.

Deloitte has a dedicated team that includes a group of highly qualified manufacturing, mechanical and process engineers with combined manufacturing industry experience in excess of 50 years, with a successful track record of preparing and agreeing R&D claims across the full diverse range of manufacturing sectors.

Our R&D specialists are located across the UK allowing us to leverage local industry knowledge with the best in class tax practices to help our clients benefit from this regime.

Activities likely to qualify as R&D

Our technological expertise covers the full spectrum of manufacturing industry sectors, from the automotive, aerospace & defence, and process industries to electronics, process equipment and white goods sectors. Examples of eligible activities we have claimed successfully include:



New product and process development – from lab and bench scale development, through to initial production at full scale



Process improvement projects – driven by the need to reduce cost, increase throughput or improve product quality, based on a statistical process control approach, and root cause analysis



Introduction of new, or significantly modified manufacturing processes to overcome major problems encountered for an 'established' process



Development of new automated processes to improve quality consistency and competitiveness



Investigations into the suitability of alternative raw materials and component sources for existing production processes



Development of new equipment or process designs to meet emerging safety or environmental regulations



The Deloitte difference

In addition to assisting with R&D tax relief our market leading team can also assist with Patent Box benefits, accelerated tax depreciation on capital assets and the identification and securing of UK and EU grants. We understand the global dynamics that affect the funding of your investment and innovation strategy. The G³ process ensures that we can efficiently acquire an understanding of your business and identify the grants and incentives opportunities that may apply.

Global reach

G³ helps you see all the possibilities by identifying incentive opportunities available to your company worldwide.

Technology at the centre

Leverage technology for operational efficiency and to gain a clear vision of relevant opportunities.

Industry experience

G³ practitioners globally know and understand your industry, your business language, and your technology language.

Lifecycle view

Each incentive must be considered in the context of the investment and innovation lifecycle to realise the full financial and commercial benefit.

Leveraging the ecosystem

Innovation does not happen in a vacuum. Connecting with the relevant government bodies and research institutes will propel your innovation capability. Deloitte helps you build winning relationships.

Thought leadership

Governments across the globe seek the insights of Deloitte people to help in the development and design of their own incentive policies.

Total perspective

Deloitte's broad range of specialised services are available to help you consider the impact of incentives on your wider tax, financial, and commercial activities so you can further enhance and accelerate your business opportunities.



Technology continues to play a key role in the UK manufacturing sector. Technical challenges are constantly being solved as companies seek to introduce new products and processes more rapidly and meet increasingly challenging quality, regulatory and supply chain demands, while maintaining their competitiveness against overseas suppliers.

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We believe that business needs to innovate to grow, and by harnessing our experience and our passion for technology we help our clients receive appropriate reward for their innovation activities.



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Designed and produced by The Creative Studio at Deloitte. RITM0658365