

RIFT

R&D Tax Credits

CREDIT WHERE CREDIT'S DUE

Research and Development Tax Relief for the construction industry

Let RIFT R&D construction specialists help you **unlock cash from HMRC** for the day-to-day problem solving you're already doing.



RIFTcredits.com

ABOUT RIFT

The RIFT Group is a family business, established in Kent in 1999. We work with individuals and businesses, providing services that deliver business tax relief and personal tax benefits.

RIFT has built an extremely close relationship with HMRC, trade bodies, unions and the construction industry over the past 18 years. RIFT is unrivalled in its combination of specialist construction industry and Tax Relief knowledge.

Our expert consultants have an excellent track record in R&D Tax Relief claims for the Construction Sector and we're here to guide you through the entire process. We deal with everything from identifying qualifying projects to receiving your Tax Relief and helping you get set-up to make regular claims. If you already have an accountant then we can work alongside them to add our specialist knowledge to theirs.

We're known in the business for our:

- ✓ **Friendly, expert and jargon-free advice.**
- ✓ **Support every step of the way.**
- ✓ **No hassle and a 100% success rate.**

If you have a claim, we make sure you get the most out of it, whether in tax refunds or tax credits. Our clients think of us as more than just providing a service, and we're proud that our dedication and expertise make us a vital part of their teams.

Research and Development Tax Relief is helping businesses across the UK to innovate, but too many construction companies still don't realise that they even qualify. RIFT R&D specialise in making innovation pay, with:

- ✓ A strong relationship with HMRC.
- ✓ Technical experts who "speak the same language" as yours.
- ✓ Unrivalled knowledge of all aspects of the construction industry.
- ✓ Award-winning customer service.

Working collaboratively with HMRC, we've built a reputation for excellence in delivering Research & Development Tax Relief for the construction industry.

It's the reason we've never had a claim rejected, and it's what makes us best placed to help you make yours.

We estimate there's over £1billion worth of Research and Development Tax Relief going unclaimed by the construction industry every year.

That money should be flowing back into your business in recognition of the contributions your innovations have made to the industry. Let us make sure you're not out of pocket and that your hard work gets the credit it deserves.

Let us **unlock**
your cash from
HMRC today



R&D TAX RELIEF FOR THE CONSTRUCTION INDUSTRY

Construction companies can expect a return of up to **26% of innovation costs**; that's **£26,000 for every £100,000** spent on development, with the average claim being **£73,000**.

Companies in the UK construction industry are eligible for a much greater share of the government's Research and Development Tax Relief scheme than they are currently receiving.

Construction firms work right on the cutting edge of innovation every day. In fact innovation comes so naturally as part of the job that many companies don't even realise they qualify for construction R&D Tax Relief.

Don't be put off by the name. Many people wrongly assume R&D tax relief is only for "science projects". It's not. It's the single biggest incentive of its kind and it applies to any kind of innovation so long as it solves a problem in a way that no one else has and it took expertise to get it done.

Another misconception is that the scheme only applies to "physical inventions". In fact it applies to a huge range of innovations including processes and non-physical developments. If you're not sure if what you're doing would qualify for R&D Tax Relief then get in touch. It's better to find out than to lose out.



WHAT CONSTRUCTION R&D TAX RELIEF MEANS FOR YOU

If you've developed something that could have an impact that extends outside your business, then the R&D tax relief scheme is there to support and reward you. That's why there's so much on offer if you qualify, such as:

A tax credit
cash payment
to help you cover urgent costs.

Even if your
R&D doesn't go to plan,
your claim remains valid.






SMEs can
benefit at 26%
of their R&D costs.

An extra
130% enhancement
on SME R&D costs.

HOW INNOVATION TAX RELIEF HELPS THE CONSTRUCTION INDUSTRY

Being able to claim R&D Tax Relief for the work you are already doing, could unlock a substantial cash amount to further invest in the type of innovation called for by The Farmer Review. 'Modernise or Die: The Farmer Review of the UK construction labour model' is an independent review commissioned by the government which calls to boost the competitiveness of the UK construction industry on a global scale.

RESEARCH AND DEVELOPMENT TAX RELIEF CLAIMED BY CONSTRUCTION COMPANIES

	 GROUND WORKS AND CONCRETE FRAME SPECIALISTS	 BESPOKE TOOLS AND EQUIPMENT	 STEEL FABRICATORS	 DESIGN AND BUILD	 ELECTRICAL AND MECHANICAL CONTRACTORS
LOCATION	HOME COUNTY	HOME COUNTY	LONDON	HOME COUNTY	SOUTH WEST
TURNOVER	£67,000,000	£2,000,000	£10,000,000	£22,000,000	£12,000,000
QUALIFYING R&D EXPENDITURE	£1,430,000	£455,000	£260,000	£988,000	£221,000
TAX BENEFIT	£286,000	£91,000	£52,000	£197,600	£44,200

WHICH AREAS OF ACTIVITY QUALIFY?

If it's innovative and solving a problem, then it probably qualifies. There are such a wide variety of challenges to overcome and problems to solve in construction and civil engineering that a definitive list wouldn't be possible, but here are some common areas that we deal with in making claims.

Unusual or difficult environmental or ground conditions

Each site is different and while standard practices are suited to most conditions, there are numerous instances in which a construction company is faced with conditions for which there are no established methods. They have no choice but to develop new methods and adapt tools and techniques before they can even begin. This can include, but is not limited to, challenges specific to:

- ✓ Location
- ✓ Logistics and access
- ✓ Site restrictions
- ✓ Timeframes

Health and Safety

Construction remains a dangerous industry and health and safety measures are continually being updated. As a result companies in the industry have to adapt to comply. This can result, for example, in advances in protective barriers, innovative scaffolding, platforms for safe working and automation of dangerous tasks.

Modern Methods of Construction (MMC)

Companies pioneering modular building techniques will be faced with a fresh set of challenges that has them delving outside of established industry knowledge, and as a result, their findings are of industry wide significance.

Building Information Modelling (BIM)

Central to the UK construction industry's future ambitions is the adoption of information rich BIM technologies, process and collaborative behaviours that will unlock new and efficient ways of working at all stages of the project life-cycle.

"At Coinford we've been claiming research and development Tax Relief for over 5 years. We're very familiar with the claim process and were one of the first construction companies to capitalise on these Government credits. Previously we did the majority of ground work ourselves, pulled together the supporting information and wrote the claim. Our accountants then checked and signed it off before submitting to HMRC. Since meeting RIFT R&D Tax Relief, we leave all that for them to handle - they work with us at each stage of the claim process and handle our claim from start to finish. We were really impressed when we met RIFT - they're experts in the construction sector and we trust them with our business."

Paul Timlin, Managing Director, Coinford - www.coinford.co.uk

WHICH SECTORS QUALIFY?

The construction and civil engineering sector covers a huge variety of specialist companies, and most are innovating on a regular basis.

Here are a few examples of the types of project that could qualify for R&D tax relief through finding clever solutions to industry problems:



Construction

- ✓ Engineering advances that develop new materials or use combinations of existing materials in unique ways.
- ✓ Use of automation to speed up projects or lower the costs.
- ✓ Design and creation of specialist machines or the development of existing equipment through modification for a new use.
- ✓ Adapting, improving or creating new materials and methods to complete a project for example the ability to withstand extreme environmental conditions such as intense heat, cold or pressure.
- ✓ Combining existing materials to produce new composites to fulfil a purpose that no existing materials could, such as withstanding above normal tolerances.
- ✓ Completing projects with “out of sequence” working methods in order to achieve success that would not otherwise be possible due to issues with accessibility or site-specific requirements.



Transportation and Urban Infrastructure

- ✓ Improved design for infrastructure of transportation, water, sewer, and stormwater networks.
- ✓ Water storage and pumping stations.
- ✓ Designing improvements for bulk earthworks such as cut fill quantities, site drainage and innovative material selection methods.
- ✓ Design and development of new sustainable drainage solutions that offer sustainable solutions for green spaces, retention or detention facilities or permeable paving options.
- ✓ Replacement of old pipe infrastructure using new methods and materials, improving existing pipes or using new drilling methods for pipe replacement.



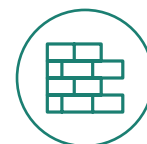
Marine and coastal

- ✓ Improved pile design or installation methodology for offshore structure support.
- ✓ Harbour or breakwater design.
- ✓ Development of undersea installation processes and methodologies to overcome site specific challenges.



Environmental and Sustainability

- ✓ Improvements designed to reduce carbon emissions for utility services for residential and commercial properties.
- ✓ Integration of renewable energy systems into building design.
- ✓ Development of new environmentally friendly materials, such as those with low carbon impact, for new building construction.



Structural

- ✓ Groundbreaking infrastructure design.
- ✓ Optimisation of design to reduce wasted materials.
- ✓ Software development to optimise analysis and intelligence.



Geotechnical

- ✓ Advances in investigation or treatment techniques for contamination or land reclamation.
- ✓ Advances in structural groundworks such as tunnelling, retaining systems or piling.
- ✓ Adaptation of existing methods to allow for construction on difficult sites.



Demolition and Waste Management

- ✓ Recycling of waste or building rubble to form new products to reduce costs or improve performance thresholds.
- ✓ Optimising demolition process to enable the use of smaller machines and reduce props required to support structures.
- ✓ Design of renewable energy infrastructure for industrial and commercial use.
- ✓ Modification of equipment to overcome issues related to site environment or project specifications.



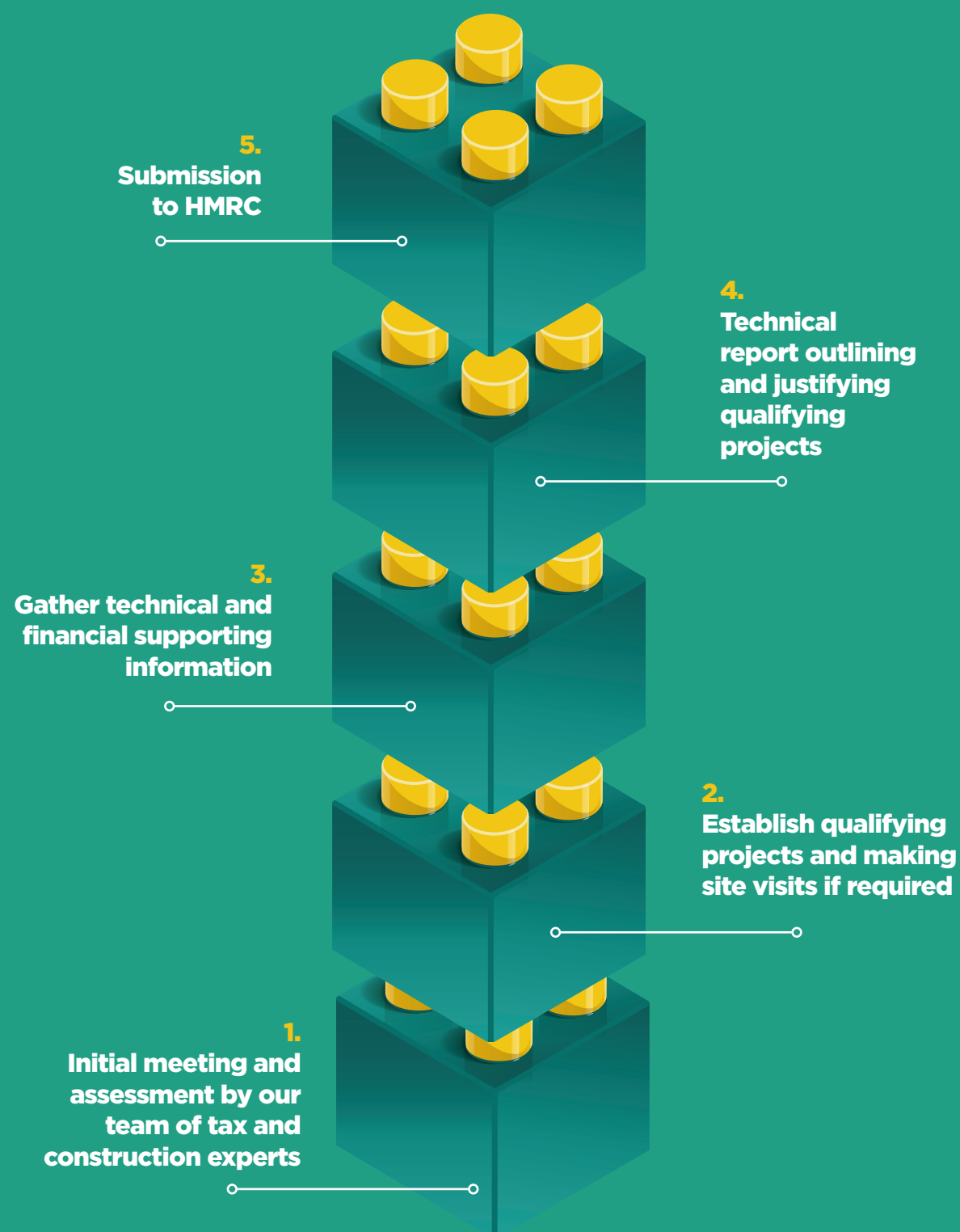
Utility Services

- ✓ Improvements to biomass fuel handling.
- ✓ Advances in storage and facility design for processing plants and power stations.
- ✓ Improving overhead line design and construction through use of new methods or incorporation of new materials.



BUILDING YOUR CLAIM

You're just **5 easy steps away** from RIFT claiming your **R&D Tax Relief**:



We provide a complete end-to-end service for preparing your R&D claim. This removes a lot of the burden of the technical side of claim preparation from you or your accountant. Our experience of working with HMRC means that we can save you a lot of time and effort, ensuring your claim is clearly focused on what HMRC need to know.

Our process is designed to make things as simple for you as possible:

- ✓ **We discuss**
You meet one of our consultants (either in person, online or phone) to tell us about your business and from that we can confirm if what you are doing meets the qualifying criteria for a claim.

We will clearly outline what will need to be done to submit your claim to HMRC. This will vary depending on the type of work you have done, for example the scope of your project. Every claim is different so our team will be able to talk you through this in detail.
- ✓ **We research**
We work closely with you (and your accountants, advisors or other specialists) to gather all the documentation, evidence and figures that will be needed to prepare your claim.
- ✓ **We review**
We send the draft report to you to review. This gives us the opportunity to go through the information in detail and ask any other questions we might have in preparation for the final report writing.
- ✓ **We deliver**
We will compile your claim report for HMRC with all the necessary detail, narrative and documentation about your R&D activity. Final versions of this will be sent to you for approval before submission by your accountant.
- ✓ **We support**
After the claim has been made we will maintain contact and support you in making subsequent claims through the implementation of quarterly review meetings.

Once the claim has been accepted you can decide to receive the money as a tax relief or tax credits.

Whether you work with us directly or through your accountant or advisor, we're here to make sure your inventiveness pays. We can produce and submit your claim ourselves, or if you prefer, we can work with your existing accountant and prepare the reports for them to submit to HMRC as part of your complete business accounts.

WHAT HAPPENS NEXT?

A RIFT R&D Tax Relief claim doesn't stop when the report is submitted, or even when you receive your tax relief.

We continue to work with you throughout the year in the following ways:

- ✓ Reviewing existing R&D practice and how it is encouraged, recognised and recorded on site.
- ✓ Helping you to develop processes to assist with the collation of information to make subsequent claims even easier and maximise the claim value.
- ✓ Quarterly review to identify qualifying projects and advise on tax efficiency for project funding.
- ✓ Site visits to meet your teams, understand your processes and identify where innovation is happening.

You can send invoices and figures to us throughout the year to start building your next claim in advance, making things as easy as possible.

There are no limits to the number of projects you can claim for so long as they meet the qualification criteria but you can only claim for the previous two tax years so it's important to get your claims in as soon as you can.

Shining a light on R&D for construction and engineering.

In construction innovation is almost just another word for your day-to-day business. Every project throws up its own unique challenges, and every problem you solve opens up new possibilities.

What's so important to realise is that problem-solving like this is exactly what the government's trying to promote and reward. They just don't always do a great job of getting the word out. Simply put, you might have an R&D claim if you're:

- ✓ Tackling obstacles in new ways.
- ✓ Finding easier, safer or "greener" ways to work.
- ✓ Making better use of existing technologies.

R&D Tax Relief could mean a significant boost to your budget. If you're not claiming your costs back, you're leaving yourself unnecessarily out of pocket.

Shining a light
on R&D for
construction
and engineering

Claim 26p for every £1 spent on qualifying costs

From an industry **of 290,000** firms only **480 made claims.**

Manufacturing, which is a similar industry to construction in many respects with regard to R&D claims, **accounts for nearly 30% of claims in the UK.**

£2.45billion was claimed under the R&D scheme in 2015, however **only £35million of this was from the construction sector.**

Even if innovation accounted for just 1% of UK construction's turnover then, for an industry worth more than **£145 billion per year, there is potentially over £1 billion in R&D Tax Relief claims** that could be made by the construction industry every year.

RIFT Group has served the construction industries' tax needs for over 18 years. If you have been involved in working in any projects that you think might qualify get in touch with us today. **It's free to find out if you have a claim, so there's nothing to lose.**

BUILD UK AND RIFT PARTNERSHIP

The UK government's got big plans for the construction industry over the next few years. To make the most of the upcoming changes, RIFT has teamed up with Build UK, the leading representative organisation for the UK construction industry.

As the UK government is making plans to shake up the way the construction supply chain works together, innovation is going to be even more crucial than ever. Developments need to be paid for - which puts R&D Tax Relief right at the very heart of the industry's future.

RIFT has always forged strong, supportive ties with UK construction. Partnering with Build UK means that we can help the industry reach further and higher than ever before.

RIFT has always maintained that innovation drives the construction industry. New materials, methods and technologies are changing the whole shape of the business, and none of that change is happening in isolation.

Here's what the government's looking to achieve by 2025:

- ✓ **A 33% reduction in initial construction costs, and the whole life cost of assets.**
- ✓ **A 50% drop in time from inception to completion for both new builds and refurbished assets.**
- ✓ **A 50% drop in greenhouse gas emissions in construction.**
- ✓ **A 50% reduction in the trade gap between exports and imports in construction products and materials.**

That's a hefty list of goals, and it's going to take some cutting-edge thinking to get the job done. The government will be working with the academic and research communities to knock down barriers to innovation and fill the skills gap. It's also going to be promoting green technologies and "smart" construction resources like Building Information Modelling (BIM) and digital design tools.

All this is good news for construction, but it won't mean much if the industry doesn't lean into the challenge. The task now is to clear the path for those businesses, and to make sure that pushing back boundaries is

always rewarded. In part, it's a financial problem, with too many companies finding it difficult to fund their biggest ideas.

There's a cultural side to it as well. Construction firms need to understand how to work more closely and think more broadly - not just with each other, but also with academic and research bodies.

That way, innovative ideas and developments can spread and drive the whole industry forward, instead of being thought of purely as one-shot solutions to specific problems.



UK construction has a lot going for it, with globally respected design skills, civil engineering and sustainable procedures. However, firms are being held back from innovating by high costs and a lack of collaboration.

This is where RIFT's partnership with Build UK comes in. Together, we'll be working to bring R&D Tax Relief to the forefront of industry thinking, planning and practice.

Checklist for qualification

The easiest way to find out if anything you've been doing qualifies for R&D Tax Relief is to have a quick, informal chat with one of our specialist team.

If you just want a few pointers to help you think about projects which might qualify, **heres a handy checklist:**

Remember, that it's easy to pass over things that HMRC would class as "innovation", especially when problem solving comes so naturally as part of the daily approach to work at all levels in the industry.

That's where RIFT specialists can help you in tracking down all your qualifying costs, and turning them into a serious financial boost for your business.

WHAT IS BUILD UK?

Build UK represents many of the biggest players in UK construction, along with 40 trade associations, totalling over 11,500 specialist contractors. By working with them, RIFT is putting our unique understanding of HMRC and industry legislation to the best possible use.

Checklist for QUALIFICATION

- ✓ Are there specialist engineers on the project, either **in-house or consultants**?
- ✓ Are there **stage payments** due in part to having to overcome **technical/materials milestones**?
- ✓ Do the contracts contain **extensive indemnity and retention clauses**?
- ✓ Is **prototyping** involved?
- ✓ Are materials being developed which are **cheaper, greener, or more reliable**; or new combustible or fire retardant materials?
- ✓ Is there **development of new materials, tools, or evaluation of existing materials/technology**, combinations and adaptations of existing materials and products, or binding methods or coatings which haven't been used in the market before?
- ✓ Are there **new production techniques**, including new modular off-site fabrication methods which make the erection of buildings more efficient and accurate?
- ✓ Have there been **advances in software** to resolve challenges?
- ✓ Creating or **experimenting with new materials**.
- ✓ Coming up with **new ways to implement energy saving techniques**.
- ✓ Integrating **new technology** into buildings.
- ✓ **Solving technical problems** that arise during or after construction.
- ✓ Using science or **technology to improve user experience** in modern buildings.
- ✓ Modifying existing components and fittings **into bespoke projects**.

“Honestly, I didn’t think it applied to us. I didn’t think we’d get an opportunity to have a research and development tax claim or refund, but I was proved wrong pretty quickly. **We received in the region of £160,000.** RIFT is easy to work with, and you’ll be surprised what you have incurred as R&D, which you probably don’t think is R&D. I’m looking forward to doing another claim with them on another side of our business.”

Dan Little, Director at J Brand
www.jbrand.co.uk

“Together with Build UK, RIFT is promoting the value in R&D Tax Relief and bringing it to the forefront of industry thinking, planning and practice.”

BUILD UK
www.builduk.org

Help your clients get
the credit they deserve at

RIFTcredits.com

CALL **01233 653008**

EMAIL **info@riftresearch.com**

RIFT
R&D Tax Credits