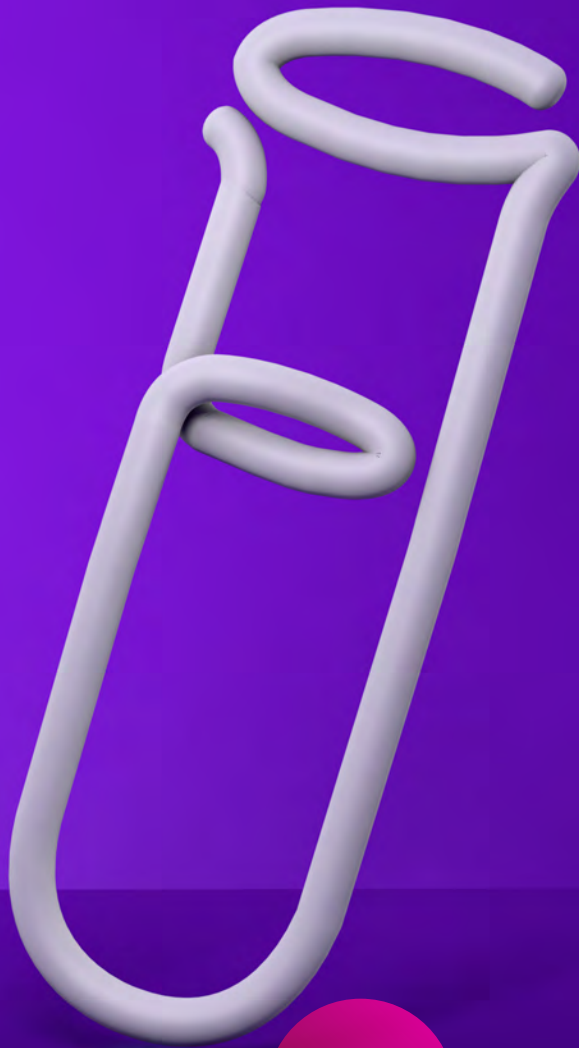


# MATERIALS<sup>+</sup> & CHEMICALS



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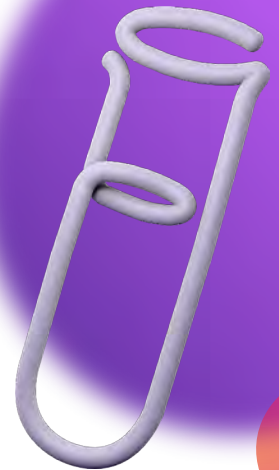
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# MATERIALS & CHEMICALS

## ABOUT THIS SECTOR

The strength of UK manufacturing is supported by extensive R&D and investment in capital infrastructure. The movement towards more automation, digitisation and new materials creates significant opportunities for tax reliefs and incentives for the taxpayer in this sector.



## POTENTIAL R&D CLAIMS

Many companies are conducting qualifying R&D activities for R&D tax relief purposes in this sector on a daily basis without even realising it. What may seem as typical day-to-day challenges in the office and field may qualify. This may include developing new products, processes or services or duplicating existing products and processes in an appreciably improved way. The development does not have to be blue sky innovation, however, it is necessary for the company to demonstrate some kind of technical uncertainty in the work being undertaken.

Typical examples within this sector include but are not limited to;

- The development of a new process for manufacturing a carbon-based product due to the outlawing of a key chemical which could no longer be used in its production.
- Development of a new coating for use on airplane rotor blades to reduce wear and tear and increase aerodynamic performance.
- Development of an enhanced additive, typically used in concrete, to slow the setting rate whilst being poured, so that more complex concrete solutions could be created.

## POTENTIAL PATENT BOX CLAIMS

Companies that hold patents could qualify for a reduced effective corporation tax rate of 10% on profits derived from those patents. Any company in this sector which does not hold a patent should be reviewing their technological developments to consider their eligibility to apply for a patent and benefit from the significantly reduced 10% tax rate.

The technical hurdle to apply for a patent is not as high as you may think. Similar to R&D tax relief, what may seem as typical technology in the office or field may be patentable and eligible for a 10% effective rate of tax.

Some examples of patents in this sector include but are not limited to;

- A patented cosmetic spray reformulation which eliminates the use of any CFC's.
- The development of a recyclable grade of aluminium.

## POTENTIAL CAPITAL ALLOWANCE CLAIMS

Capital allowances enable commercial property owners to obtain tax relief relating to capital expenditure embedded within their building.

Capital allowances on plant and machinery will typically be claimed in the tax computation already.

However, many businesses in this sector are missing out on valuable capital allowances available not only on commercial property owned for years, but also on the;

- Acquisition
- Construction
- Refurbishment; or
- Extension of commercial property.

The value of capital allowances on commercial buildings can vary between 25-65% of any purchase or refurbishment price.

## DON'T LOSE OUT!

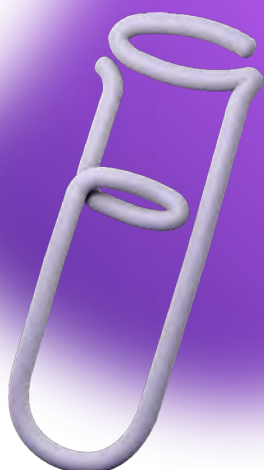
Of course, the extent of the opportunity depends on the level of the specification.

The main reason allowances are missed on the construction and fit out/ refurbishment of the building is because of the lack of detail in the construction cost information provided by contractors. This information can consist of high level summaries of the works and it is difficult for non-specialists to break down and segregate these costs which can result in lost allowances.

Typically, elements missed in the capital allowances claims include demolitions, alterations and finishes. Also, professional fees associated with plant and machinery on which we are claiming capital allowances are eligible, but are easily forgotten.

## YES! THERE'S MORE!

In addition to this, there is a little-known capital allowances pool called Research and Development Allowances (RDA's). If it can be identified that the purpose of the expenditure on plant and machinery, buildings and IT equipment was for the purpose of R&D, 100% uncapped first year capital allowances can be claimed on this expenditure.





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& SKINCARE



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& LOGISTICS



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PLASTICS & RUBBER



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& RAIL



MATERIALS  
& CHEMICALS



MEDICAL DEVICES



PACKAGING



PHARMACEUTICALS  
& HEALTHCARE



PRINTING



SECURITY, LIGHTING  
AND ELECTRICAL



SOFTWARE & IT



TELECOMMUNICATIONS



TRAVEL SOFTWARE



WASTE MANAGEMENT  
& RECYCLING

## SAY YES!

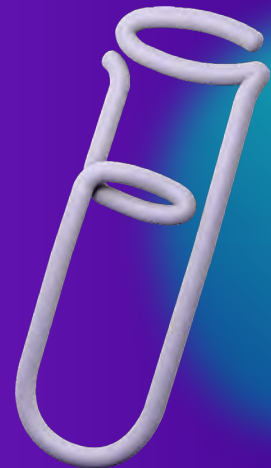
Let YesTax unlock your hidden qualifying expenditure. We are approachable, proactive and productive.

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## NO SAVING, NO FEE – YES!

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