

# NANCE

Tildesley & Tonks say innovation and new processes in manufacturing can qualify

# Tax relief scheme is good news all round

**T**ildesley & Tonks, the Wolverhampton-based chartered accountants and business advisers, are bucking the national trend by recommending the Government's Research and Development (R & D) tax relief scheme to clients.

Nationally, it has been reported that many accountancy firms are reluctant to mention it to clients as they don't really understand how the business will get the money back.

Since August 1 this year, small and medium sized companies have been able to claim R&D tax relief for 175 per cent (previously 150 per cent) of their qualifying expenditure on R&D. Small and medium sized companies are defined as having less than 250 employees and a turnover of not more than £35 million. If successful, a retrospective claim can go back up to two years.

Qualifying expenditure on R&D usually relates to the cost of employees involved in such work but also covers other overhead and direct expenditure.

At the current small company rate of Corporation Tax of 21 per cent, R&D expenditure, if it can be identified, results in a tax saving at 36.75 per cent.



Mark Evans, managing director of Tildesley & Tonks, Wolverhampton

ford Place on Wolverhampton's Pendeford Business Park, said: "Many accountants are put off by the rules and regulations surrounding the scheme, as it is not a normal 'number crunching' exercise.

"There is also a misconception that it is only available to companies employing 'men in white coats' looking for a cure for cancer or AIDS

in overall knowledge or capability in a field of science or technology but is also relevant to manufacturing, engineering, electronics, communications, media, publishing and transport companies.

"I firmly believe that a lot of manufacturing companies in the Black Country are eligible for

explore specialised and niche markets just to survive. It is precisely this sort of innovation or discovery of new processes that R&D tax relief was designed for."

Tildesley & Tonks works closely with Government Grants & Tax Consultants (GGTC), a company which has specialised in R&D claims since 2006 and can boast a 100 per cent success rate with its clients. As a result of this partnership, Tildesley & Tonks has already seen two of its clients benefit from large corporation tax refunds.

One local client, ASH Plastics (Wolverhampton) Limited, has already received a substantial tax refund for the two years ended March 31 2006 and is now in the process of submitting a claim for the two years ended March 31, 2008. Mark Evans said his firm was firmly committed to helping clients claim the R&D relief where appropriate.

He said "There is too much reluctance amongst our profession to be proactive about this valuable relief.

"The Treasury actually want companies to claim this relief but according to official figures, the numbers of companies actually claiming it are falling. HMRC - (Her Majesties Revenue & Customs) has opened seven specialist units to deal with claims

# Thousands eligible for NHS care long-term

A Black Country legal specialist believes that thousands of people in the region could wrongly be paying for long-term care, which should be provided free of charge by the NHS.

Philip Martin-Summers, a partner in Higgs & Sons' private client team, believes that there are two main reasons as to why people are not receiving NHS continuing care. He said: "Firstly, failure is sometimes the result of an assessment wrongly concluding that the individual concerned is not entitled to NHS continuing care and then that decision goes unchallenged. Secondly, I believe there is a general lack of awareness across the region as to the availability of NHS continuing care."

To be eligible for free NHS continuing care, where fees are paid in full by the State, an individual's primary needs must be health-related, with accommodation being merely ancillary to those needs. If that is the case the entire cost of the care should be met by the NHS. This is the legal position as laid down by the courts.

Mr Martin-Summers heads up Higgs' older person division at the firm's Kingswinford office and is also a committee member of the Birmingham branch of Solicitors for the Elderly. He has made challenges to decisions denying NHS continuing care in a number of cases, some of which are ongoing, with others proving successful.

He said: "Individuals or their families should ensure that copies of any assessments are obtained."