

Tax relief scheme promoted by local accountancy firm

Tildesley & Tonks, the Wolverhampton based Chartered Accountants and Business Advisors are actively promoting the Government's Research and Development (R & D) tax relief scheme to innovative companies in the Black Country.

Since August 1, 2008, SME companies can claim R & D tax relief for 175 per cent of their qualifying expenditure which usually relates to the cost of employees involved in such work but also covers other overhead and direct expenditure. A successful claim can go back up to two years.

Mark Evans, managing director of Tildesley & Tonks (pictured), said: "There is a misconception that it is only available to companies employing 'men in white coats' looking for a cure for life threatening diseases. This is plainly not the case. The legislation states that a project will be eligible for R & D tax relief if it seeks to achieve an advance 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 R & D tax relief without even knowing that it exists. Over the last few years these companies

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

Tildesley & Tonks have already seen two of their clients benefit from large corporation tax refunds and more claims are being prepared for existing clients next year.

"One of our clients recently received a refund of approximately £65,000 within weeks of submitting the revised tax returns to HMRC and without a single query being raised by them. It is clear to me that this is something that the Revenue is keen to promote and Tildesley & Tonks is at the forefront in helping local businesses get back what is due to them."



The Pensions Regulator

The Pensions Regulator understands that recent developments in the financial markets will be of great concern to pension scheme trustees, sponsoring employers and scheme members. We have therefore issued a statement to trustees, letting them know that they need to remain vigilant and to keep the position of their schemes under review.

For those trustees needing guidance, the regulator's current codes of practice and guidance documents cover the relevant issues and allow sufficient flexibility for trustees. As always, trustees should continue to focus on making sound decisions in the long term interests of scheme members. We believe that an ongoing employer provides the best protection for members, and the scheme specific funding regime allows trustees of schemes in deficit to put in place a recovery plan suitable for their particular set of circumstances.

The regulator's contacts with larger defined benefit (DB) pension schemes suggest a relatively limited direct exposure to so called toxic assets and limited involvement in derivative trades with counterparties that are in difficulty. While a few individual pension schemes may have increased levels of exposure, the regulator has not been informed of any significant problems and does not believe the issue is systemic.

David Norgrove, chairman of the Pensions Regulator, said: "*The main issues faced by pension schemes in the current economic climate seem likely to be the more general fall in asset values and emerging pressures on employer covenants. For defined benefit (DB) schemes, both aspects come together within the existing scheme funding framework. We believe that this framework is flexible enough to deal with current conditions, recognising that pension schemes are long-term undertakings. For defined contribution (DC) schemes, the issues are different, but again we believe our existing guidance will help trustees, employers and members. Trustees should continue to focus on making sound decisions in the long-term interests of scheme members.*"

To view the full statement, visit our website at:
www.thepensionsregulator.gov.uk/pdf/StatementToTrusteesOct08.pdf