

# The Fire & Security Sector

## R&D Tax Overview

The R&D tax credits scheme allows companies to reduce their corporate tax bill or receive a tax refund based on a proportion of their R&D expenditure. The scheme can be used by any organisation that is liable for corporation tax in the UK and meets the necessary R&D criteria; it can even be used on unsuccessful projects. The work that qualifies for R&D tax relief must be part of a specific project which aims to make an advance in its field.

## Which Fire & Security businesses can claim?

HMRC's definition of R&D within the Fire & Security sector is fairly extensive. Many businesses, however, are unaware that the work they are carrying out qualifies as R&D and are not claiming the financial benefits they should be owed. Last year, Leyton helped over 5,000 companies to claim an average of £78,000 in R&D tax credits under the Government's scheme, which provided these businesses with valuable additional cashflow.

### Key points to note:

- The complex technical problem solving activities which take place in this sector often fit within HMRC's definition of R&D and can be claimed for under the scheme
- Whether a business is working on a client specified project or their own, producing a practical technical solution which includes redesigning or reengineering is likely to include eligible activities
- In the case where a business is the subcontractor on a project, if that business is brought in to act as technical experts in the field of fire/security, they are still eligible to claim

To date, Leyton has managed to claim back in the region of £25m in R&D benefits for Electrical Contracting businesses. Many Fire & security business would fall into this field.



## Hear from two of our clients:

"As a member company of the FIA, I am very happy to share with the rest of the group my experience with Leyton. We had a call from the company who told us about the tax refunds available on R&D claims. After listening to the informative gentleman, Robert Eves, we decided to go ahead and make a claim, we didn't really expect to receive much at all. We asked Leyton for a company's name, who would be happy to speak to us, who had previously used Leyton. We rang the company and they sang the praises of the scheme and Leyton's handling of their claim. They got a sizeable sum back and were thrilled. We thought we'd give the claim a go too! Leyton provided templates and help with completion and after a week they came up with a fine report (something we could not have done without them). The report was submitted via our accountant and within days we had two sums deposited into our bank from HMRC. This came amid the COVID crisis and at a time when the refund was very much appreciated. We paid Leyton's fees immediately and were absolutely thrilled with the whole process. I have personally recommended 4 or 5 companies to Leyton – that's how pleased we were/are.

Honestly, if you have a bit of spare time I can't recommend Leyton highly enough. They are professional in their approach, provide speedy Reports for submission to HMRC and make the whole process easier than if trying to do it yourself. My view about their fee was that if I didn't go with them I wouldn't make an R&D claim, so I didn't mind them invoicing me for a percentage. Good luck everyone!"

**Linda Foster, Managing Director, Mercury Fire and Security Limited**



"We have to say that we were somewhat sceptical when we were approached by Leyton in relation to an R&D claim. After all we are a Fire & Security company, not a main Contractor or a principle contractor.

However by working with Rob and his team of knowledgeable experts from the industry, we were helped all the way through the process and were able to construct a successful claim. We probably only had to commit in the region of 10 - 15 hours to the whole process.

Right until the successful conclusion of the claim, we remained unconvinced that the scheme was applicable to our industry, but were obviously delighted when this legitimate claim was processed and settled.

In conclusion, we thank Rob and his team for the help and assistance with processing the claim and wouldn't hesitate to recommend Leyton to the Fire & Security industry."

**Darren Jones, Contracts Director, MECE Fire and Security Ltd.**



Fire Industry Association

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