

M+A Partners

- + Chartered Accountants
- + Tax Specialists
- + Business Advisers

Agri-Tech

Innovation Tax Relief - Research and Development (R&D) tax credits



M+A Partners has been helping clients to grow their businesses and achieve their ambitions for over a century - and we're immensely proud of our history.

We are a forward-looking firm with an emphasis on innovation, new technology and finding pioneering ways to give our clients the best possible service.

Our Norfolk-based firm is led by nine partners who are some of the most high-profile and well-respected experts in their fields locally, supported by a talented team of over a hundred staff.

We have a well-earned reputation for building excellent relationships with clients and the wider business community. That has always been, and continues to be, our number one priority.

The Agri-Tech Sector

Agricultural science and technology is rapidly becoming one of the world's fastest growing and exciting markets. It is driven by global changes: a rising population, rapid development of emerging economies with western lifestyle aspirations and growing geopolitical instability around shortages of land, water and energy.

A technology revolution is also taking place.

Breakthroughs in nutrition, genetics, informatics, satellite imaging, remote sensing, meteorology, precision farming and low impact agriculture are driving major global investment in agri-tech and there are substantial advantages available to businesses in the UK who solve these scientific and technological challenges.

The R&D Scheme

If your company performs any activities that fall within the tax definition of research and development you should be claiming the generous additional R&D tax reliefs that are available.

From 1 April 2023, Small and Medium sized Enterprises enhance their qualifying expenditure by 86%. Prior to 1 April 2023 qualifying expenditure is enhanced by 130% as well as having the option to convert tax losses created by the relief into cash.

From 1 April 2023, large companies can elect for a 20% tax credit in their accounts (subject to restrictions) that can trigger a tax repayment even in the event they have not paid any corporation tax. The credit was 13% between 1 April 2020 and 31 March 2023, and 12% between 1 April 2018 and 31 March 2020.

R&D in Agri-Tech

The science and agri-tech sectors can sometimes play down the importance of the research they do into the products we all rely on. This reserve may be due to a growing appetite for '*naturalness*', '*organic*', '*home grown*' and '*locally sourced*' food and a public uncertainty around high tech solutions to social and environmental problems.

We know that contributions made across the entire supply chain spanning seeds, agro-chemicals, machinery, engineering, and other inputs across arable and livestock agriculture, horticulture, and food processing and packaging would not be possible without substantial research and development taking place.

Indicators of R&D in Agri-Tech

This sector often overlooks R&D relief as they perceive their potentially qualifying activities to be '*business as usual*'. It is our experience that many businesses are missing out on valuable relief due to this misconception.

If you can answer 'yes' to any of the following questions you may qualify for R&D tax relief:

- + Do you believe you have made any advances in science and/or technology?

- + Do you manufacture anything?

- + Do you carry out design work?

- + Are you using existing technologies in a unique way or combining or interfacing two or more existing technologies in a way they have never previously been combined?

- + Have you developed any non-software-driven internal processes that reduce production times or cost or improve scalability?

- + Have any other companies asked you to undertake design, manufacturing, or software development to assist with any part of their projects?

- + Do you subcontract anyone to carry out design, manufacturing, scientific or technological work for you?

- + Are you a market leader or seeking to become the market leader in your chosen sector?

- + Have you filed any patents?

If you have answered 'yes' to any of the above, it is likely that you are undertaking qualifying R&D.



Below are a few examples of activities in the Agri-Tech sector that would potentially qualify for R&D tax relief:

- + Hybridisation or development of new strains of crops, plants, or livestock
- + Implementation of precision farming techniques in an attempt to increase yield and/or production efficiency
- + Development/implementation of new ways to protect crops from disease
- + Development and implementation of new irrigation systems
- + Evaluation and implementation of new techniques to increase yields
- + Attempts to develop or implement new cultivation techniques
- + Development of new disease resistant crops or livestock
- + Development of new ways to prevent or control disease or insect pests
- + Improvements in harvesting techniques
- + Implementation of new equipment to improve harvest cycle times
- + Development or experimentation with new feeds or feeding techniques for livestock
- + Development and experimentation with new breeding techniques
- + Development of new gene transfer technologies
- + Efforts to optimize treatment and management of farm wastes in an energy efficient manner
- + Development and/or implementation of automated processes
- + Design and implementation of biosecurity practices: facility cleaning and disinfection

This list is not exhaustive so please speak to one of our specialists to discuss your position.

Next step

We have extensive experience in assisting companies to identify those activities and associated costs that could be included in a claim thereby either yielding an increased tax deduction or a tax repayment.

We are able to assist with your retrospective position (it may be possible to go back up to two years to make any relevant claims); and we can help by obtaining advance clearance for companies making R&D claims for this first time - agreeing a position with HM Revenue and Customs (HMRC) means the qualifying elements of the planned project spend for the first 3 years of the project is assured.

If you think you have undertaken projects that exhibit the hallmarks referred to in this factsheet, why not have an initial discussion with one of our specialists (details right) to see how you might be able to benefit from this generous regime.

You may also like to visit mapartners.co.uk and view our **free online resources**.



Faith Pearce
Senior Tax Manager

☎ 01603 227670

✉ faith.pearce@mapartners.co.uk



Andrew Sayer
Tax Assistant Manager

☎ 01603 227678

✉ andrew.sayer@mapartners.co.uk

MA Partners LLP

7 The Close Norwich
Norfolk NR1 4DJ

2 Cyprus Court Queens Square
Attleborough Norfolk NR17 2AE

12 Church Street Cromer
Norfolk NR27 9ER

☎ 01603 227600

✉ enquiries@mapartners.co.uk

mapartners.co.uk



mapartnersuk



Partners

Disclaimer We believe the information herein to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein. **April 2023** Printed and published by © MA Partners LLP M+A Partners is the trading name of MA Partners LLP and MA Partners Audit LLP, which are limited liability partnerships. A list of members may be inspected at our registered office: 7 The Close, Norwich, NR1 4DJ. The term "partner" is used to refer to a member of MA Partners LLP or MA Partners Audit LLP. MA Partners LLP is regulated for a range of investment business activities and licensed to carry out the reserved legal activity of non-contentious probate in England and Wales by the Institute of Chartered Accountants in England and Wales. MA Partners LLP is registered in England and Wales (LLP number OC 361855). MA Partners Audit LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. MA Partners Audit LLP is registered in England and Wales (LLP number OC 427003).