



**M+A**

## Partners

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

# Relief for unsuccessful Research and Development (R&D)

**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.

**R&D offers a valuable tax incentive for businesses seeking to solve scientific or technological uncertainty.**

**Many businesses celebrate their success in the resolution of this uncertainty, but what about the instances where an R&D project is abandoned as a result of overwhelming scientific or technological complexities.**

**Is it possible to claim the R&D tax credit even where the project is unsuccessful? The very simple answer is Yes.**

Provided an advancement is a qualifying project for R&D purposes, even abandoned or unresolved activities may meet the requirements for R&D tax relief.

The guidance in relation to abandoned projects being qualifying projects is very clear:

“ *Not all projects succeed in their aims. What counts is whether there is an intention to achieve an advance in science or technology, not whether ultimately the associated scientific or technological uncertainty is completely resolved, or resolved to the degree intended. Scientific or technological planning activities associated with projects which are not taken forward e.g. because of insurmountable technical or commercial challenges are still R&D.* ”

If you have undertaken work to resolve scientific or technological uncertainty but have been unsuccessful in the process, it is worth considering making an R&D tax credit claim to reduce the cost of the project.

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## The Relief

R&D relief for qualifying revenue expenditure increases the amount that is deducted from taxable profit to 230% for expenditure incurred by an SME.

Large companies are subject to a separate regime which is beyond the scope of this factsheet.

Where an SME is loss making in a period in which qualifying expenditure is incurred, it can surrender this loss in exchange for a payable credit - HMRC will make a cash repayment to the business.

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## Next step

If you have undertaken projects in which you have faced insurmountable scientific or technological challenges, 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](http://mapartners.co.uk) and view our **free online resources**.



**Faith Pearce**  
Senior Tax Manager

☎ 01603 227670

✉ [faith.pearce@mapartners.co.uk](mailto:faith.pearce@mapartners.co.uk)



**Andrew Sayer**  
Tax Assistant Manager

☎ 01603 227678

✉ [andrew.sayer@mapartners.co.uk](mailto: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](mailto:enquiries@mapartners.co.uk)

[mapartners.co.uk](http://mapartners.co.uk)



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