

R&D TAX REBATES – INNOVATION IN THE FOOD & BEVERAGE SECTOR

“
The financial benefits of R&D tax credits to companies operating within the Food & Beverage Sector are usually considerable, where the average annual R&D Tax Credit claim can be in excess of £53,000.

Food & Drink is one of the largest manufacturing sectors in the UK and its success is driven by innovation to meet constantly changing consumer demands. Nine in ten UK businesses are involved in the creation of new products and almost three quarters working on manufacturing process automation.

Research and development (R&D) play's a critical role as companies strive to satisfy dietary trends such as clean eating and veganism, increase product ranges and improved nutrition. Investments in new processing and manufacturing techniques, waste minimisation and supply chain alignment to drive scale and efficiency could all qualify for a claim.

Whether you have developed a new gluten-free cake recipe that emulates the original, or an innovative method of preserving cheese, there is so much scope for R&D for our Food & Beverage clients. These development projects are not just everyday activities, they are activities which probably qualify for R&D taxcredits reducing the cost of funding the projects by up to 25%.

EXAMPLES OF QUALIFYING R&D IN THE FOOD & BEVERAGE SECTOR

- ✓ Improving the health and nutritional profile of food and drink products as desired by consumers
- ✓ Developing new or improve ingredient mixing methodologies
- ✓ Developing pilot plant and machinery for manufacturing of new products for food /drink
- ✓ Integrating new technology into the manufacturing process to improve efficiency and production output
- ✓ Recreate the taste and texture of established foods without using allergens such as gluten, egg and milk, or to replicate the effects of small-scale, artisan processes on an industrial scale
- ✓ Developing new or improve water recycling or waste management processes
- ✓ Extensive ingredient sourcing resulting from certain commodities being in short supply or being impacted by price volatility
- ✓ Development of new products to cater for "healthy" food labelling and clean label claims such as gluten free, vegan, dairy free, low-carb, reduced fat and sugar-free products, which often requires an iterative development process to achieve the desired outcome.
- ✓ Activities relating to microbiology, shelf life, allergen and pesticide residue testing, isotopic analysis, molecular biology or a range of classic physical, chemical & biological methods
- ✓ Investigative work carried out by food scientists to achieve an advance in overall knowledge and capabilities in food manufacturing
- ✓ Development of new packaging solutions



CASE STUDY 1

- ✓ **Nature of R&D:** Beer – Craft Brewery
- ✓ **Overview:** Craft Beer Brewery based on the South Coast. To comply with Regulations, our client was required to invent a custom solution for the discharge of effluent and had to design & install a bespoke extraction & air filtration system at their main plant.
- ✓ **Tax relief generated: £62,131**

CASE STUDY 2

- ✓ **Nature of R&D:** Production of certified Organic Beef Products
- ✓ **Overview:** A privately owned manufacturer of processed beef products who had to overhaul their entire manufacturing process to produce certified Organic Beef Products.
- ✓ **Tax relief generated: £58,273**

CASE STUDY 3

- ✓ **Nature of R&D:** Chocolatier – New products, Equipment & Packaging
- ✓ **Overview:** A national chocolatier brand, developing premium chocolate and cacao based products with unique infusions (e.g. Tea) and trialled beans from independent farms.
- ✓ **Tax relief generated: £44,293**