



Research & Development

Staff Costs

DIRECT R&D

Direct R&D activities are limited to the time spent resolving technical uncertainty. Although every R&D process is different, we've found that companies typically have 4 stages of an R&D project with only 2 stages that qualify.

Stage	Description	Does it qualify?
1: Scoping	Initial activities such as conceptual ideas, market research, having discussions with industry professionals.	No
2: Development	The actual development of a product/service, e.g. coding, undertaking experiments, building physical prototypes.	Yes
3: Testing	Practical or consumer testing, e.g. strength testing, integration testing, resilience testing. Depending on the results of the testing, further development may be needed.	Yes
4: Refinement	Adjustments or further more routine development, e.g. deployment to users and subsequent bugfixing, of for a physical product, mass production.	No

INDIRECT R&D

This comes as a happy surprise for many of our clients. You can also claim indirect R&D activities that support direct R&D activities.

This includes:

- Maintenance
- Security
- Administration
- Finance (including paying people, leasing equipment etc.)
- Personnel activities
- Training
- Research (including related data collection) to devise new scientific or technological testing methods, where this research is not R&D in its own right
- Feasibility studies to inform the strategic direction of a specific R&D activity

To find out more information visit elect.tax or [click here](#) to book a free, no obligation consultation.

