

Cosmetics and personal care.

R&D tax relief



R&D tax relief - cosmetics and personal care.

The highest priority for cosmetics and personal care companies is the safety and health of their consumers. A significant amount of development usually needs to be undertaken in this highly regulated industry.

There are strict rules covering R&D tax relief claims. Our specialist R&D team have undertaken many successful claims within the cosmetics and personal care industry so we can ensure that the claim is accurate, relevant and will stand up to any HMRC scrutiny. If the right boxes are not being ticked in terms of what qualifies under the R&D legislation, any claims against this scheme may come to nothing.

For this reason many potential cosmetics or personal care claims are not even attempted, because many companies are rightly reluctant to spend significant amounts of time and money with no guarantee of success.

We can make the whole process simple by preparing a claim on the company's behalf. We provide the right information in the right format so that HMRC can quickly agree the R&D claim.

Typical qualifying claims

- Complex formulae to develop improved sunscreens and other personal care products by incorporating never before combined ingredients.
- Sourcing of new ingredients to overcome sensitivities and the elimination of impurities for those with sensitive skin.
- Development of opulent spa products without the use of readily available surfactants but still maintaining the same price point and performance characteristics.
- Creation of new ways to scale up production without compromising component makeup and stability of the product.
- Use of new emulsifying agents to eliminate reaction by sensitive skin.
- Overcoming issues regarding the levels of colour in aqueous form to ensure pH value and opacity are maintained.
- Development of a product to ensure its ability to be poured into containers at one consistency and to set at another. Overcoming issues regarding the heat to maintain preservatives and inhibit bacteria.
- Scientifically innovative (and challenging) ways of overcoming project imperatives; complexities around chemistry, stability, performance and safety whilst staying within the legislative guidelines.
- Use of cutting edge technologies with minimal amounts of history or documentation, often meaning there are no precedents to work from and skills are learnt on the job.

These are examples of what you may be doing, but if you can do them by following routine or conventional methodology then the claim will not be qualifying. The legislation essentially dictates that you have to be doing something that others in your industry are not doing. This could include duplicating existing products in an appreciably improved way, for instance by developing a more effective sunscreen.

Contact us to receive a free health check and one of our experienced R&D advisers will be able to ascertain whether the development activity qualifies. If you are unsure at this stage, a telephone conversation with one of our advisers will be able to definitively establish whether or not a claim can be made.

Mitchells Chartered Accountants & Business Advisers

91-97 Saltergate

Chesterfield

S40 1LA

Tel: +44 1246 274121

Email: consult@mitchellsaccountants.co.uk

www.mitchellsaccountants.co.uk/r-d-tax-credits