

# R&D Tax Relief in Aquaculture

SPOTLIGHTS | WHITE PAPER

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## R&D Tax Relief in... Aquaculture

Introduced by the UK Government in 2000, the R&D tax relief scheme is designed to encourage innovation and global competitiveness by allowing companies to reclaim some of the money invested in qualifying research and development. R&D tax credits are generally considered to be one of the most attractive tax reliefs available, often resulting in significant cash repayments from HMRC.

### What are the benefits?

The benefits of the programme include increased cashflow, which is especially important to small, developing companies. It also encourages development of a corporate philosophy that embraces innovation and improvement.

### Do you qualify?

A common misconception is that the scheme is just for companies with R&D departments and men in white coats. The fact is that any company that spends money trying to improve a product or service through a technological advance, using qualified staff and appropriate project controls, and where there's doubt about the project's success, is likely to be eligible.

### R&D in Aquaculture

The pace of innovation in this industry is impressive. Aquaculture is becoming increasingly important for global food production, especially as wild fish stocks become depleted and the availability of new land for arable farming is becoming increasingly restricted. In order to ensure sustainable protein production, modern technology helps to improve energy efficiency, plant availability, product quality, and overall productivity.

The aquaculture industry has increased its degree of control through the production process via many innovations in fish feed, feeding equipment, information technology-based monitoring of live fish, vaccines and genetics, and through the development of land-based recirculating aquaculture technology.



The Analysts visiting us knew our industry inside out. This is where we felt ABGi were unique, their service is tailored to the particular industry they work with. ABGi is a professional organisation who simplify a complex area through technical expertise and who deliver real benefits ultimately in cash refunds from HMRC.

| DAVID SIMSON  
| FINANCE DIRECTOR  
| LEES FOODS





ABGI exceeded our expectations. We switched from another reputable firm who specialised in R&D tax credits but I now wish we'd used ABGI from the very start. Their approach produced a significant uplift in value to us. My advice, if you are already claiming...don't assume your claim is a good claim...give these guys a call

| GARETH DAVIES  
| OPERATIONS DIRECTOR  
| I.F.A LTD



## R&D in Aquaculture (cont.)

Many of the tasks that before were manual, such as fish monitoring, fish feeding, fish harvesting and equipment maintenance, have now been automated to a large extent and reliability of production processes and environmental sustainability has been enhanced.

R&D has also played a significant role in disease management. A number of targeted vaccines have been developed to combat various diseases. To some extent, these have replaced curative medications such as antibiotics.

## What are the potential areas of eligibility?

A vast range of activity in the area of aquaculture, which could include:

- Developing improved diet or nutrition for feedstock.
- Developing improved breeding programmes to enhance favourable traits in species.
- Integration and modification of existing technology to create an improved production process.
- Developing better protocol to detect or reduce disease in farmstock.

## What problems might a company face?

- Changing diet may have an unknown impact ofn the health and development of the feedstock.
- Selective breeding or genetic modification may have a unknown impact of physiology and survival rate of the feedstock.
- Existing technology may not have been proven in certain applications.
- Knowledge within the industry of how to detect or treat a specific disease may be limited.



### Expert Advice

Have a thorough understanding of HMRC guidelines. Never claim for work that is ineligible. Tie the claim back to guideline specifics. Use 'user-friendly' language in application: It is vital that the technical report is clear and intelligible





We were totally stunned at the amount claimed, we really couldn't believe it. The tax benefit has since allowed us to reinvest the money, buy new machinery and hire 2 new people. What a great result!

| ROD WAH  
| MANAGING DIRECTOR  
| BEVERSTON ENGINEERING



## Eligibility questionnaire

If you can answer 'Yes' to most of these questions then, based on our experience across thousands of clients, it looks like you could have a successful claim:

- Have you developed new processes applying technology that has not been proven in this area?
- Have you tried to improve your existing products through technical changes?
- Have you had to resolve technical problems with any of your products, processes or equipment??
- Have you found more sustainable ways undertake production, extending publicly available knowledge within your industry?
- Have you experimented with new equipment or production techniques?
- At the start of a project, did you ever think 'I'm not sure of the best way to do this'?
- Have any of your projects failed for technical reasons?

## Why ABGI?

ABGI is a leading international tax incentive and innovation management advisor. We help companies accelerate their innovation activity by identifying and securing appropriate funding in the form of grants, tax incentives or commercial funding.

With 30+ years heritage and 200 experts, we manage +£870million of innovation incentives annually across 19 countries, for some of the world's best known brands.

**Whatever innovation funding challenges you face – wherever you're based – we can help.**

### About ABGI

ABGI is an international leading tax incentive and innovation management advisor. We help companies accelerate financial performance, innovation and business expansion by capitalising on their R&D and innovation activities, in compliance with all rules and regulations. **Whatever innovation funding challenges you face – in the UK or internationally – we can help.**



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