

# R&D Tax Relief in Waste Management and Recycling

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## R&D Tax Relief in...

# Waste Management and Recycling

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 innovative, 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 Waste Management and Recycling

Even in a prolonged recessionary environment, waste management continues to be an area of innovation, particularly in response to government directives as well as an overall drive towards resource efficiency. Reliance on technology and mechanisation is increasing, e.g. to improve recycling processes or generate energy generation from waste (including thermal recovery processes and anaerobic digestion).

Looking at environmentally friendly technologies, the low carbon agenda is of significant strategic importance to the gas, power, waste management and water industries. Low carbon technologies offer significant growth potential to existing industries, particularly in offshore wind, marine (wave and tidal) and Carbon Capture and Storage (CCS).



Their level of intelligence really encouraged me, demonstrating from the word go their ability to grasp our development projects carried out. I have learnt huge amounts in reference to the whole R&D scheme and what work I can benefit from moving forward.

| SEAN MCARDLE,  
| MANAGING DIRECTOR  
| MT WASTE





We were slightly hesitant to begin with, not knowing whether or not the work involved would deliver a return on investment.

However an introduction from our Business Consultant, made us aware that using experts will enable us to claim substantial relief on the back of the R&D Tax Claim process.

| NIGEL MOORE  
| HEAD OF FINANCE  
| BROCKLESBY LTD



## What are the potential areas of eligibility?

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

- Purification of products (i.e. extracting flammable or acidic chemicals before recycling process)
- Developing methodology for the production of biodiesel and other valuable commodities from food waste.
- Separation technology (e.g. continuous solid-liquid extraction, liquid-liquid extraction, Ion-Exchange, magnetic separation)
- Decreasing the grade to which waste gets shredded to hence improve final waste grades for landfill. The finer the grade the more waste can be put into landfill areas.
- Developing an industrial scale process to enable the effective, efficient recovery of pure plastics from Waste Electrical and Electronic Equipment (WEEE)
- Operational Efficiency - improving processing capacity, accuracy, flexibility and safety of a materials recovery facility i.e. through automation processes.

## What problems might a company face?

- Much of the utilities infrastructure is very old and inefficient. New technologies must be compliant with the old system or provide sufficient benefit to require replacement.
- Explosion risks are often a concern due to the handling of flammable materials, high electrical currents or high pressures (water).
- Maintaining safety while making changes to technology. Utilities companies are usually strictly regulated to ensure safe standards are maintained throughout the industry.
- Reducing potable water consumption when processing waste streams.
- Removal of fine contaminants, such as aggregates and dust, from the waste streams to achieve the required rate of purification.



### Expert Advice

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



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  
| IFA LTD



## 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 tools, products or services using technology?
- Have you tried to improve your existing products through technical changes?
- Have you had to resolve technical problems with any of your products?
- Have you found more efficient ways to produce your products or services?
- 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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