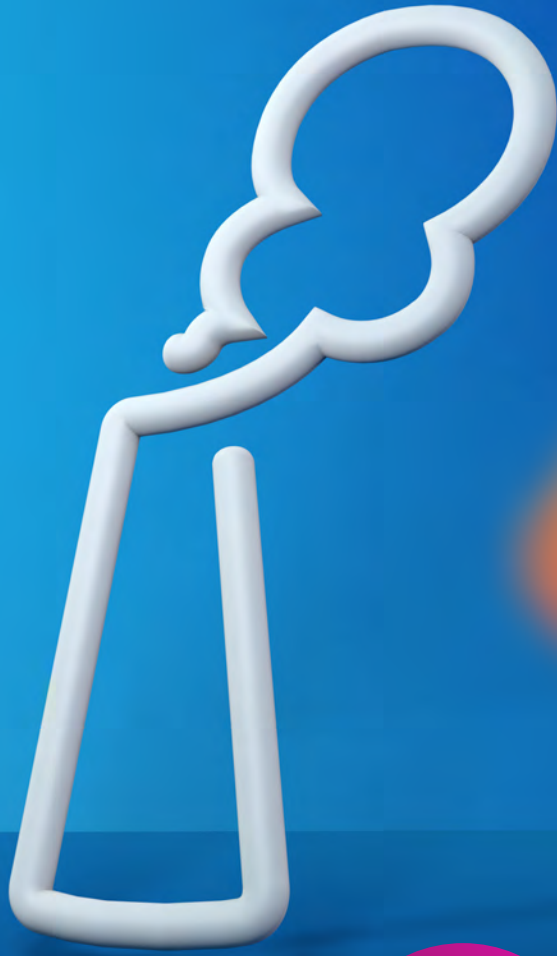


FOUNDRIES



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ABOUT THIS SECTOR

Foundry processes are continuously evolving to improve the quality of products, production efficiency and to take advantage of new technologies. Breakthroughs in research and development have enabled significant advances in metal casting in recent years.

This creates opportunities for tax reliefs and incentives for the taxpayer.

The strength of the UK foundry industry is supported by Research and Development (R&D) and investment in capital infrastructure. The movement towards more automation, digitisation and new materials and processes, creates significant opportunities for tax reliefs and incentives for the taxpayer in this sector.



POTENTIAL R&D CLAIMS

Many companies are conducting qualifying R&D activities for R&D tax relief purposes in this sector on a daily basis, without even realising it. What may seem as typical day-to-day challenges in the office and field may qualify. This may include developing new products, processes or services or duplicating existing products and processes in an appreciably improved way. The development does not have to be blue sky innovation, however, it is necessary for the company to demonstrate some kind of technical uncertainty in the work being undertaken.

Typical qualifying activities within this sector include but are not limited to;

- Casting developments
- Quality and integrity developments
- Measurement and control developments
- Safety developments
- Energy efficiency developments
- Recycling of metals and materials
- Development of resins and other supplier materials
- Production of high integrity and complex castings
- Experimentation with non-traditional alloys
- Development with non-traditional casting methods
- Development of robotic technology
- Heat treatment development
- New manufacturing processes of soluble cores
- Furnace developments



POTENTIAL PATENT BOX CLAIMS

Companies that hold patents could qualify for a reduced corporation tax rate of effectively 10% on profits derived from those patents. Any company in this sector that does not hold a patent, should be reviewing its technological developments to consider its eligibility to apply for a patent and benefit from the significantly reduced 10% tax rate.

The technical hurdle to apply for a patent is not as high as you may think. Similar to R&D tax relief, what may seem as typical technology in the office or field, may be patentable and eligible for a 10% effective rate of tax.

Some examples of patents in this sector include but are not limited to;

- Method of reducing veining defects in sand-based foundry shapes.
- Manufacturing methods of foundry moulds and cores and the use of resins in the binders for the moulds and cores.
- Patents on moulding machines.
- Patents held in investment casting.
- Binding agent systems and mixtures for use as an additive.
- Phenolic resins.



POTENTIAL CAPITAL ALLOWANCE CLAIMS

Capital allowances enable commercial property owners to obtain tax relief relating to capital expenditure embedded within their building.

Capital allowances on plant and machinery such as a new furnace or new mould, will typically be claimed in the tax computation already.

However, many businesses are missing out on a significant tax savings opportunity in this industry! These valuable allowances are not only available on buildings already owned, but also on the;

- Acquisition
- Construction
- Refurbishment; or
- Extension of commercial property.

Invariably, a significant amount of expenditure is incurred on; the integral features of the building, technical and high spec features, the design and layout of the foundry, roller shutter doors, fire systems, alarm systems, air conditioning, cranes, lifts and CCTV. Analysing the scope for your capital allowances claim will therefore require specialist analysis.

The value of capital allowances in such commercial buildings can vary between 25- 65% of any purchase or refurbishment price. Of course, the extent of the opportunity depends on the level of the specification.

DON'T LOSE OUT!

The main reason allowances are missed on these properties is due to the lack of detail in the construction cost information provided by contractors. This information can consist of high level work summaries which are very difficult for non-specialists to break down and segregate, resulting in significant lost allowances.

Often elements are missed in the capital allowances claims such as demolitions, alterations and finishes. Furthermore, professional fees associated with plant and machinery on which we are claiming capital allowances can be included, but are easily forgotten.

YES! THERE'S MORE!

In addition, there is a little known tax relief called Research and Development Allowances (RDA's). If it can be identified that the purpose of the expenditure on plant and machinery, buildings and IT equipment was for the purpose of Research and Development, then 100% uncapped first year capital allowances can be claimed on this expenditure.





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DISTRIBUTION
& LOGISTICS



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ENGINEERING



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PLASTICS & RUBBER



INSURANCE



MANUFACTURING



MARINE, AEROSPACE
& RAIL



MATERIALS
& CHEMICALS



MEDICAL DEVICES



PACKAGING



PHARMACEUTICALS
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SAY YES!

Let YesTax unlock your hidden qualifying expenditure. We are approachable, proactive and productive.

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NO SAVING, NO FEE – YES!

We're flexible, but typically we work on a contingent fee basis. Therefore, if YesTax is unable to identify any saving for you, there is no fee due!

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