

# Reclaiming a Profit - How the Land Remediation Sector Benefits from R&D Tax Relief



The threat posed to our world by global warming is real and growing with every year. It is a threat that is forcing all of us, from political and economic leaders to consumers to change the way we live, travel and work. Right across the industry, the importance of finding environmentally friendly and sustainable ways to do business has become paramount.

Yet, where there is a challenge, there is usually an opportunity. The trend towards environmentally-sound business practices has enabled innovative operators such as LK Group to grow, and thanks to the R&D Tax relief system, companies like LK Group are able to unlock considerable financial benefits in the process.

## Introducing LK Group: remediation specialists

The LK Group provides a variety of consultancy services, using their 20 years of technical expertise and their relationships with scientific and technical specialists to advise and oversee the remediation of land.

The Group has specialists in every aspect of remediation, from advising on contaminated land and flood risk to asbestos surveying.

R&D is at the heart of what the LK Group do. They undertake scientific research and build technological advances to develop innovative solutions to enable unique and in-situ land remediation.

Their expertise made them the ideal partners for a new Biomass power station construction project.

## Banking on biomass

A viable alternative to fossil fuel burning, biomass power stations can be a sustainable and long-term source of energy. The project in question had the potential to pump out 299 MW of electricity, serving around 650,000 UK homes, as well as creating 500 jobs.

But when they were called in, LK Group faced a number of challenges. The site of the proposed power station had been owned by a company that produced processed aluminium.

As a result, it was affected by a range of high-risk contamination problems that had led the industry regulator to put a hold on the project until it had been assessed and remediated.

## The Biomass Power Station project

The first step LK Group took was to carry out an investigation to get a clear picture of the contamination problem. This investigation was a challenge as the site was on an area of Schist rock, which is difficult to penetrate and features a profusion of cracks and openings. The unique geology of the site also made it difficult to trace the groundwater.



The specialist team's investigations revealed that there was a high level of contamination throughout the site. Both soil and groundwater were heavily contaminated with aluminium and fluoride, and this pollution posed a significant threat to the neighboring Irish Sea.

Although the contamination problem appeared to be formidable, LG Group's experts were convinced that a solution could be found and that they could devise remediation techniques that would enable them to make the site safe. By utilising risk assessments, devising chemistry techniques, computer modeling and various trials and tests, LK Group have made significant progress in making the site safe, though the project is expected to last for three years.

## How R&D Tax Relief can help the Land Remediation Industry

The UK's land remediation industry currently oversees the improvement of more than 400,000 hectares of contaminated land, and the UK government has made a commitment to help the sector to grow by offering tax relief on R&D to land remediation companies.

Land remediation companies such as LK Group often face serious obstacles when they are asked to clean up a site. The challenges include locating the original source of the pollution, conducting historic investigations, carrying out complex chemical analyses, dealing with dangerous materials and handling tricky remediation projects in built-up areas. The role of experts like LK Group is to keep the cost of remediation low while providing the best possible long-term environmental outcome.



Inevitably, R&D plays a key role in LK Group's work and the UK government offers R&D Tax Relief for a range of land remediation activities, including the creation of diverse remediation methods, devising comprehensive remediation strategies and ensuring that a site can be easily used for construction and development.

This tax relief can offer a major boost to land remediation companies, yet only a few operators in the sector are aware of it. That's where R&D Tax Solutions come in.

### R&D Tax Solutions working with LK Group

Establishing which areas of R&D might qualify for tax relief and completing the necessary paperwork for a claim can be a time-consuming business, so LK Group called in R&D Tax Solutions to help them put together their claim.

R&D Tax Solutions specialize in the area of R&D Tax relief and can help companies to maximise the benefit of their claim. R&D Tax Solutions helped the LK Group to confirm which of their activities would qualify for R&D Tax Relief, produced a fresh Tax Computation, completed and submitted their claim, and liaised with HMRC throughout the process, freeing LK Group's experts to concentrate on their day-to-day business.

### R&D Tax Relief benefits

Working with LK Group, R&D Tax Solutions discovered in recent years in excess of £800k in expenditure within the Group that could qualify for R&D Tax Relief. After submitting their claim, LK Group were eventually able to receive significant cash injection in the form of R&D Tax Relief.

With this extra revenue, LK Group were able to invest further in new and existing R&D projects, which is helping them to increase their capacity and capability and enabling them to be even more competitive in the land remediation space.

*"R&D Tax Solutions have been client focused and professional in their approach to completing our R&D tax relief claim.*

*We felt confident with the process from the start to the finish as they were knowledgeable in their expertise."*

*LK Group Director, Conor Leyden*