

Claiming R&D Relief in the Online Media Sector



The new media sector is one of the hottest online industries at the moment, and many organisations are keen to get involved and provide more and more informative and relevant content to consumers.

But setting up online can be a difficult business, and everything from ensuring videos sit well alongside text to creating custom algorithms needs to be considered. For our client Security Expert Online (SEOL), a provider of cutting-edge, insightful online video content covering the global security industry, these issues needed to be overcome before the company could grow.

By facing up to the technical challenges and investing in research, the team at SEOL were able to create a striking and easy-to-use online news product. Not only that, but they were also able to claim back thousands of

pounds back from Her Majesty's Revenue and Customs (HMRC) under the government's research and development (R&D) tax relief scheme. Here's their story.

The issue: user content experience

For companies operating in the media space, it can sometimes be a difficult task to begin building an audience. Whilst once upon a time it was a simple job to break into a niche provided you had the skills for good quality journalism on your side, there's now a much more crowded environment in play - and everybody seems to be taking advantage of the benefits offered.

But for SEOL, the issues were a little more complex. The niche was so specific that there were no other providers of this kind of content - and whilst some partial competitors did exist, such as Sky News, these sorts of news organisations are so large that the technology and equipment behind the mask would never have been accessible. What SEOL needed to do was innovate to the point that their technical capabilities gave them a competitive advantage for the long term, rather than simply break into a particular space.

That's easier said than done. SEOL used a lot of video content, for example, but combining the embedding of videos with the publication of blocks of text and fixed-position images was often tricky. What's more, the editorial team at SEOL knew they needed to ensure that their content production processes were sustainable and scalable, and that they would always have enough content ready to serve up to their information-hungry readers.

But resolving these "technical uncertainties", as they are known, was worth it. What SEOL later found was that their hard work would enable them to claim R&D costs of over £30,000, substantially reducing their tax bill.

How did SEOL do it?

When it comes to research and development, some clients decide to focus on investing in the knowledge and skills of people first rather than processes or tools. This is because many technical uncertainties can only be resolved by somebody who knows what they're doing, and the investment can sometimes not be worthwhile without a designated person putting their time and knowledge into the process.

This was the approach taken by SEOL, and the first stage of the process was therefore to designate a technical developer to work on resolving the issues. With this person in place, a bespoke, video-focused platform was

eventually developed. Crucially, the editorial processes were brought together and integrated, which meant that the content consumption experience for the end user was richer and more seamless.

The team also explored the many different options available to them for integrating video content with the written work of the journalists, and an eye was kept on marketing throughout the whole process thanks to the discovery and integration of snazzy social media plugins. And by developing custom-made algorithms and application programming interfaces (APIs) then adding them into the system, yet more uncertainties about how the site should be developed and made sustainable in the long run were tackled.

The new web experience also underwent a process of comprehensive testing, too. This meant that error was unlikely once the project got off the ground, which saved time and money in the long run.



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// Non - text - :200px;</text>persisted properties
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    data = data &lt; 1 <html> <errorMessage>
    // Non - persisted properties function
    <html> <errorMessage = text - :200px;</p> , observable()
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    <body style='background-color:yellowgreen; color:white; text-align:center; width:100%; height:100%'>
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Will R&D break the bank?

Hearing stories about the impact that technical development has had is all well and good, but for many senior managers, it's prudent to start thinking about how much this sort of research and development process might cost. After all, paying for technical developers is not cheap.

"As a startup company cash flow was key whilst commercially tendering for contracts and undertaking development projects,"
**Louise Hobbs, Co-Founder and Director
SEOL**

But by making sure that they worked with experts like us to find out where eligible R&D activity had occurred during the technical process, there was lots of cash to be saved.

"The team at R&D Tax Solutions provided an informative and efficient service to quickly establish our qualifying R&D activities. The financial benefit has assisted us greatly in building our business and was a welcome financial boost for expenditure that we would have incurred regardless of the tax relief," Louise added.

How does claiming R&D tax relief work?

As with any investment, paying for research and development has to be something that the business knows will come back to benefit them in the long term. But what many businesses don't know is that their R&D activities can actually save them cash, and that's because they're incentivised by the government to invest in making their businesses as competitive as possible.

Take SEOL. By filing a claim for research and development costs, their highly technical project managed to save thousands from their corporation tax bill!

When a company makes a claim, the process begins by identifying the technical uncertainties firms in their sector have faced. Then, the company needs to demonstrate that they tried to overcome these problems by researching and innovating new solutions. Your company will still be eligible even if you tried but weren't able to solve the problem.

If you're interested in finding out more about how your company can benefit from R&D tax relief, please get in touch with us today.