

Instructions for completing the questionnaire

Section C. Research and Development (R&D) activities

R&D is creative work undertaken on a systematic basis in order to create new or improved products, processes, services or other applications. R&D is distinguishable from other activities by the presence of an appreciable element of novelty and by the resolution of problems and uncertainties using scientific or technological means.

Question 1. Turnover

The figures entered should be the net amounts invoiced to customers after deductions for trade and quantity discounts and allowances for returns (including containers), but not cash discounts.

- Include: Duties and taxes paid or payable, e.g. excise duties, but not VAT
Amounts charged by you to customers for transport of goods, whether by your own employees or by carriers
- Exclude: VAT
Revenues from sales of capital assets
Subsidies from State funds or the EU, e.g. export refunds
Dividends from subsidiaries or from other investments.

Question 2. Purchases

The figures entered should relate to the actual costs of goods and services purchased (**excluding VAT**) and should be the amounts paid after deducting trade and quantity discounts given by suppliers and credit for returns (including containers).

If you think you may be double counting any purchases because of difficulty with apportioning based on our classification methods, please only include once under the heading you believe is most appropriate. Contact the CSO for assistance if necessary.

Question 2(i)(a). Purchases of materials during the year

- Include: Raw materials, materials for repairs, small tools, materials purchased for the production of capital goods by your enterprise for your own use, packaging, office supplies, etc.
- Exclude: Fuel, power, services and goods purchased for resale without further processing (proper to question 2(ii)).

Question 2(ii)(b). Purchases of fuel and power

Purchase of all energy products during the reference period should be included only if they are purchased to be used as fuel. Energy products purchased as a raw material or for resale without transformation should be excluded from this question but included in 2(i)(a) and 2(ii)(a).

- Include: Other duties and taxes paid or payable. Exclude: Deductible VAT.

Question 3. Operating subsidies

This question covers only operating subsidies paid to the enterprise on a continuing basis. If in doubt as to whether a particular item is relevant, include it with a detailed description. These operating subsidies should not be included in section 1 (turnover invoiced by the enterprise).

- Include: Export refunds, employment subsidies, etc. Exclude: Capital grants, once-off non-repayable grants, tax rebates, etc.

Question 5. Stocks and work in progress

- Include: **Excise duty** (in the case of **finished goods**, it should be the actual amount if this has already been levied; if not yet levied, the amount shown should reflect the rate in force on the balance sheet date).
- Exclude: VAT.

Question 6. Changes in capital assets of the enterprise during the year

- Include: Installation costs, professional fees, overheads, etc., major repairs and alterations to existing assets, if capitalised
Own produced tangible goods valued at production cost - include labour costs and cost of materials used during the year.
Capital value of assets acquired during the year through direct purchase, finance leasing or hire purchase agreement (but exclude finance charges), items bought but leased under operational leasing agreements to other enterprises.
- Exclude: Deductible VAT (VAT on passenger cars is not deductible) and items obtained under operational leasing or rental agreements.

Question 7. Employment and gross earnings

- Include: All employees and seasonal/temporary workers engaged during the year as per P35.
- Exclude: Persons absent for an indefinite period, silent or inactive partners, non executive directors.

Gross earnings should be the gross amounts paid to all employees on the payroll before deduction of tax, employees' PRSI, etc

- Include: Overtime, service pay, shift and other allowances, commissions and bonuses, holiday and sick pay, payments in kind, earnings of trainees (even if recouped in whole or in part from SOLAS, etc.), directors' remuneration.
- Exclude: Redundancy payments and pensions to former employees (include under question 8(iii)), payment of travelling expenses (include under question 2(ii)(m)), other labour costs not forming part of employee earnings, e.g. employer's PRSI contributions (see question 8), directors' remuneration for attendance at board meetings (proper to section 2(ii)(m)), payments for agency workers (proper to section 2(ii)(l)).