

The SR&ED Tax Credit Helper

The SR&ED Tax Credit Helper is a computer program that helps substantiate claims for the Scientific Research And Experimental Development tax incentive program. From the employee timecards and we have back-calculated employee, timecard and project data necessary for the claim. The program outputs both project and employee-based reports of the claims data. The output of this program can be directly combined with the T661 forms to complete your claim.

The main benefits to using this program are:

- It is a repeatable, well-documented procedure for your company ... and for Revenue Canada, should there be any audit. It will ensure that you get an accurate tax credit.
- It can be used as a planning tool rather than an historical review. Because the system is so responsive to our client's SR& ED needs, the system can be run as a "what-if" tool. In other words, it puts the SR&ED system into the annual budgeting process to be used as a "real time" planning tool for future claims.

If for example an employee has an eligibility of 89% for the SR &ED claim close to the end of the year, you can request that the employee work on an eligible project for 20 more hours, and save yourself 10% of his salary in taxes. Let's say that you incur \$100,000 in wages for an employee who spent 90% of his or her time directly engaged in SR&ED, then \$100,000 is considered by Revenue Canada to be directly engaged wages for that employee, or \$10,000 more than you would have claimed, had you not had SR&ED Tax Credit planning tool available – In short, no money left on the table !

- It allows the scientists and engineers to concentrate on the work at hand leaving the tedious calculations to a computer program.
- It is very quick - often taking less than a 1/2 day to fully implement for an employee base of 200.
- Updates / changes can be done quickly, quarterly, annually, or if as and when required !

Just these savings alone would make it worth buying the service from us ! Let our customers tell you how useful the product has been:

"It will be our 3rd year of claims done with this product. Excellent work, ... Simple to understand... Saved our company days, even weeks worth of time recalculating the figures ... I hope to use this product well into the future."

- Richard Fogarty, Controller for Cadence Design Systems Ltd.

Figure 1 shows the view of the Main Screen in the SR&ED Program – very simple and elegant!

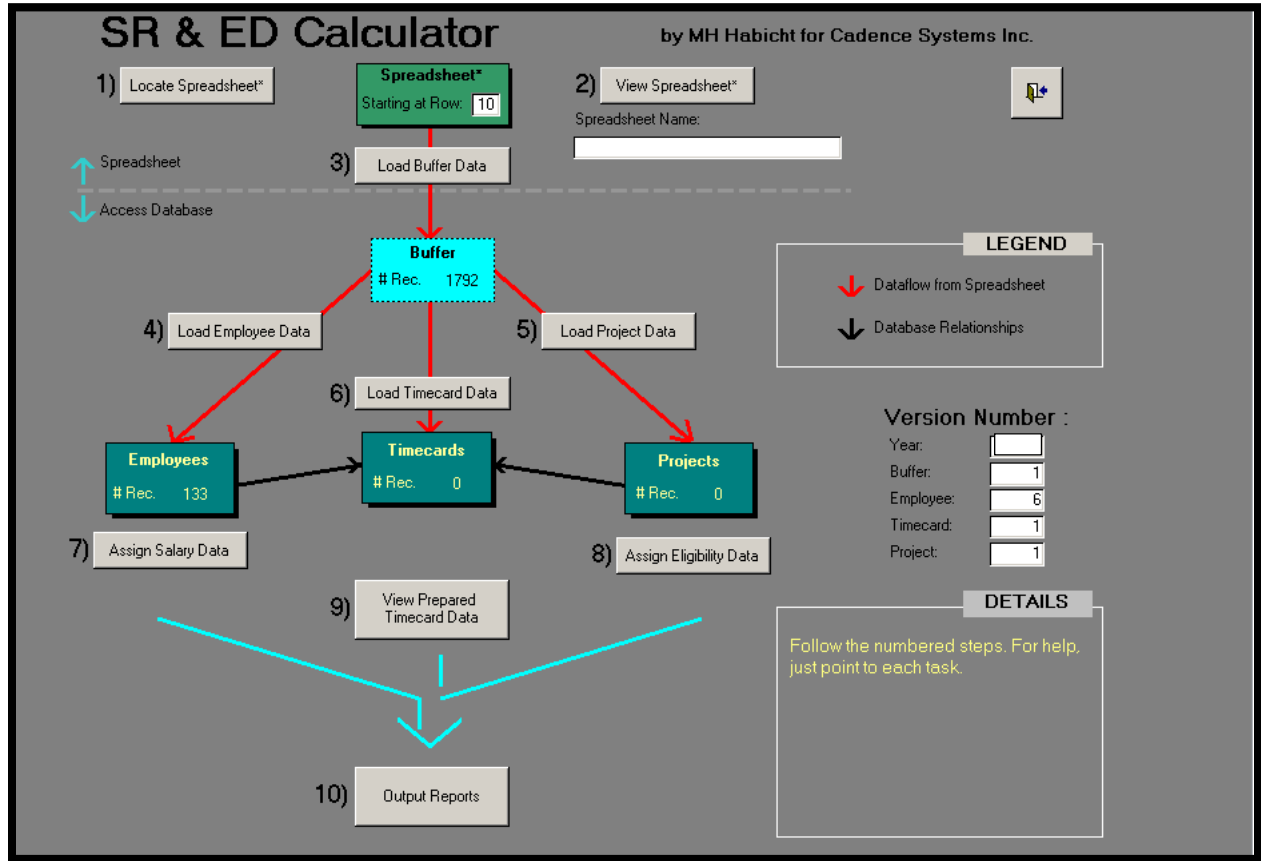


Figure 1 Main Screen of the SR&ED Application

Included with the annual licensing of the SR&ED product, is setup. The product setup includes coming in to your office, setting up the software on your system and ensure that the person charged with the responsibility of gathering the data knows the product, its merits and limitations.

Of course, should you want our expertise at preparing the claim, we would be glad to present our credentials. Through a number of contacts that we maintain in the SR&ED business, we could also offer complete investment banking, legal and accounting services. See our web site at <http://mhHawk.com> for the latest details.