

Case Study - Howe Green Ltd

Howe Green was already aware of the R&D Tax Credit scheme, before meeting Fiscale, as they had submitted a claim some years ago. The previous claim had not resulted in a significant return on investment leaving the management team decidedly "underwhelmed" by the whole R & D Tax Credit initiative. It did not take long for Fiscale to demonstrate why they are the R&D Tax specialists and convince Howe Green to give the scheme another try.

For over 30 years Howe Green has built a reputation as a trusted partner and problem solver for clients in the building services sector. The company has invested in state of the art C.N.C. machinery, CAD software and a highly skilled workforce to ensure that they can deliver the reliability and flexibility that has become synonymous with the Howe Green name.

The background

Howe Green designs and manufactures access solutions that provide safe and easy access to services such as heating, ventilation, plumbing, electricity and data cables.

The premium quality floor, wall and ceiling access covers can be found in high profile buildings across the globe, including Buckingham Palace, The British Museum, Kings Cross Station, Heathrow Terminal 5 and Education City in Qatar.

The family owned and run business was established in 1983 in response to the requirements of the supermarket sector for a safe and easy way to access underfloor services in Terrazzo flooring. Howe Green developed the 750 Series, a medium duty aluminium access cover.

The product range soon expanded to include light and heavy duty access covers; small access covers; covers for wood floors and flexible floors; hinged access hatches; tread plates; wall and ceiling panels and linear drainage.

Many of the additions to the range arose as a result of a client having an access requirement that an existing cover could not solve. Howe Green excelled at using their expertise to crack their clients' access problems. The company quickly realised that investment in technology would allow more flexible manufacturing and reduce lead times. Over three decades Howe Green has continued to invest in people, plant and processes to ensure the position as a market leader in the manufacture of access covers is retained.

The challenge

Howe Green works with architects, specifiers and building contractors in the highly pressurised and challenging construction sector. These clients are looking for innovative solutions from suppliers they can trust - quality and reliability are paramount. The "humble" access cover is typically a very minor element of a total new build or refurbishment project and can be one of the last components of the building infrastructure to be requisitioned.

When the order does come through it is generally required within a short timeframe. The capability to respond quickly is crucial. Causing a delay to a construction project due to late delivery is not an option and has potentially serious financial implications as the contractor will without doubt seek to mitigate its loss.

Howe Green deliver a range of standard size and finish access covers from stock however the majority of orders are for bespoke covers. Clients are looking for an access cover that can meet their specific requirements on a particular project. It might be that they want a custom size, shape,

material, finish or weight bearing. The challenge for Howe Green is to design and manufacture these "specials" without time or cost penalty to the client.

The ability to respond quickly and to manufacture bespoke products using precision engineering is what sets Howe Green apart. Retaining this competitive advantage would not be possible without significant and continued investment in staff, software and machinery.

The solution

Howe Green was introduced to Fiscale by a supplier. Following an initial phone call to establish eligibility Fiscale's Technical Director, Stephen Bunting attended a meeting with Howe Green's Managing Director, Peter Centa. The initial meeting was a fact finding exercise; the objective was for Stephen to understand the company's product development and manufacturing process.

Two further meetings followed. Discussions focussed on individual projects to identify the design and development features of the bespoke access covers that had involved an element of R&D.

Fiscale communicated with Howe Green's accountant via telephone and email to confirm the structure of the accounts and finalise the detailed accounting information required to support the claim.

Stephen compiled the report for HM Revenue and Customs (HMRC) which was sent to Howe Green for approval before being submitted to the R&D Tax Credit team in Leicester.

The results

Howe Green was very happy to receive a cheque from HMRC and was pleased at how painless the submission had been when working with the expert team at Fiscale.

"Our first experience of R&D Tax Credit several years ago was not the best. We came away believing that the time gathering the information and submitting it to HMRC was simply not worth the return. Having worked with Fiscale we now understand that the scheme is not as complex or cumbersome as we first believed. The level of knowledge that they have is very impressive. Stephen has the knack of translating HMRC jargon into plain English which simplifies the whole process.

It has taken Stephen a while to convince us that what we do is Research and Development as nearly every day we are developing products to solve problems for our clients. I guess having been so close to it for over 30 years we just see product development as all in a day's work!

Thanks to Fiscale we are now starting to recognise the elements of our development work that are eligible for R&D Tax Credits. We are anticipating that future claims will be much higher and much easier to process as a result of the systems and processes that we are starting to implement as a result of working with Fiscale."

Peter Centa, MD of Howe Green

The conclusion

Fiscale is continuing to work alongside Howe Green and is currently looking at the submission of a second claim as even more projects that are eligible for R&D Tax Credit have been identified.

Since 1983 Howe Green has researched, developed and manufactured access solutions for their clients. New product development is an everyday occurrence and the "can do" mentality is what sets

the company apart from the competition. The ability to recoup a significant proportion of the expenditure on R&D will enable the company to fund further investment in the future.