

Thorough methodology doubles R&D tax credit for SMD

Structural Metal Decks Ltd (SMD) is a specialist construction company based in Poole. Their expertise is in the field of manufacturing and installing composite decking in non-residential structures. This approach to construction produces materials with a desirable balance of (light) weight, (high) strength and (low) cost. It is a preferred approach in the building of multi-story non-residential buildings.

Being at the cutting edge of their industry, SMD have been involved in many high-profile projects in recent years. These include Terminal Five at Heathrow, the Olympic Stadium in Stratford, the Shard and Southmead Hospital in our very own Bristol.

The team at SMD knew that they were innovative and had used a Big Four firm to carry out claims for R&D tax credits. But an introduction to our independent R & D tax credit specialists made the claim experience more efficient and delivered better value.

“The old approach had involved us essentially writing our R&D claims report ourselves and submitting it to our advisers for review. Then there was a lot of arduous going backwards and forwards trying to get the detail right. Because, at that stage we didn’t understand the breadth of HMRC’s definition of R&D, we were underselling ourselves in terms of the innovation we were actually doing.”

Jamie Turner, Technical Director, SMD

One of the strengths that differentiate our specialists from their competition is the robustness of their claims methodology. They have one of the largest teams of CTA qualified tax advisers specialising in R&D tax credits in the country. The CTA qualification is the top professional tax qualification in the UK. It’s recognised at home and abroad as a mark of technical excellence and professional integrity.

They dedicate time and unrivalled expertise into understanding their clients’ businesses, so that they can uncover all the R&D activity that is taking place. In the case of SMD this involved holding two rounds of face-to-face meetings on site, to which they sent a director, technical expert (a former HMRC R&D tax inspector), and tax manager.

The kind of questions they asked the technical team at SMD meant they could significantly broaden the scope of the claim. For instance, SMD had not appreciated that some work carried out during installation had the potential to qualify as R&D.

“We were interviewed us for a good few hours. They spoke to heads of departments, some which were clearly doing R&D and some not so obvious – out on jobs for instance. They were mining us for information. For us this was a really beneficial approach as when we received the report it was clear they had it pretty much all covered in the first meeting.”

Jamie Turner, Technical Director, SMD

Another area which the team from our R&D Tax specialists discovered hadn't been fully investigated in previous claims was that of qualifying indirect activities. These cover functions within a business which, while not an immediate part of research and development, are nonetheless necessary for the R&D to take place.

When they resubmitted the previously completed claim, the outcome of their thorough approach was a twofold increase in the value of the R&D tax credit.