

Key Issues

Research is the Key to Ensuring Claims are Maximised



INTRODUCTION

“Specific knowledge of construction and property valuation techniques are essential to maximise tax relief in the form of capital allowances.”

Alan Cadden

Back in 2008, additional items of plant were included as qualifying items, namely general power, general lighting and cold water installations. The qualifying status was not applied retrospectively to current owners, as at that date, therefore current owners were not able to claim on these newly qualifying items of plant. This means that purchasers, buying a property from vendors who have owned the building before 31 March 2008 could be entitled to a substantial amount of capital allowances, despite the vendor having claimed and insisting on a £1 joint election.

KEY POINTS

Who did we help?

An investor who had been told that there were no allowances available within the property.

What were the issues?

A due diligence exercise had not been carried out at the time of purchase, and the investor believed no allowances were available.

What does it mean for you?

Valuable tax relief may be lost.

How can I apply this to me?

Ensure that a due diligence exercise is carried out before the purchase is completed.

CASE IN QUESTION

An investor purchased an existing two storey office building outside Glasgow from a vendor who had acquired the building prior to March 2008. The solicitor had raised the question of capital allowances and established that the vendor had made a claim and would be seeking the purchaser to enter into a s198 election.

The client's accountant on auditing the accounts asked us to review the purchase and establish whether a claim was viable. As part of our free review service, we were able to establish that, in fact, a claim was possible for the investor on the new items of plant. However, as we were not involved at the time of purchase we could do nothing to increase the amount that the joint election was signed at.



CASE RESULTS

Using the apportionment formula we were able to identify that nearly £150,000 of our client's expenditure qualified for tax relief.

OUR COMPANY

At Cavetta Consulting our directors have considerable experience advising businesses, property investors, landlords and occupiers on all capital allowances implications that impact their business.

We offer a no obligation review of completed or potential schemes in order to determine whether a viable claim for property tax reliefs can be claimed. Our fee structure is tailored to take account of the tax status of the individual or business and is designed to add value to your business. If you would like to further information, please contact either Lois or Alan.

Alternatively you can email us at info@cavettaconsulting.com.

Key Contacts



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