

Why CPD Training in Capital Allowances is crucial

PROPERTY INVESTOR INVOLVED IN A STANDARD TRANSACTION RESULTING IN LEGAL ACTION WITH ADVISER

A Stoke on Trent Property Investor [vendor] was recently embroiled in a dispute with his advisers over a commercial property transaction that went terribly wrong.



A simple summary of the events is that the Property Investor's advisers provided information to the purchaser's solicitor without having a full understanding of the revised 2014 legislation regarding Capital Allowances resulting in serious repercussions for the seller.

In providing information relating to the Section 198 election and CPSE enquiries, figures were given that represented the FULL quantum of the Capital Allowances achieved by the vendor on a historic claim as opposed to the value which the vendor intended to pass across as part of the transaction.

The consequence of this error was that the vendor had to give up the full value of the Capital Allowances or lose the deal. As walking away from the deal was not a realistic option at the time, he was left with little choice to concede to the purchasers demands.

On completion of the deal, the vendor commenced legal action against his advisers who, after a drawn out legal argument, agreed to pay £25,000 to the vendor to compensate lost tax, plus costs.

The conclusion

An expensive learning curve that could have been avoided.

Whether you would like to learn more about our services or speak to one of our experts about how we can help you, you can find the answers on our website or alternatively contact us:

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