

Look Further, Look Deeper and Find More



**Property Embedded Fixtures & Features Specialist  
PEFF's**

“.....we realise that you claim many Capital Allowances however, what about the ‘Property Embedded Fixtures & Features’ of your commercial property?”

## What are Property Embedded Fixtures & Features?

### **The Background**

'Property Embedded Fixtures & Features' are a specialist element of the well known subject of 'Capital Allowances'. A capital allowance is a taxable benefit against expenditure on 'Plant & Machinery' for the purpose of the trade.

As a matter of course, accountants identify 'MOVEABLE' items which qualify for capital allowances. These moveable items include desks, chairs, computers, cars etc. However, accountants may be unaware of the qualifying Embedded Fixtures & Features within a commercial property that are essential for a business to carry out its trade.

This leaves an enormous wealth of unclaimed 'IMMOVEABLE' items on which capital allowances can be claimed, such as lifts, heating systems, security systems, sanitary ware, electrical systems, kitchens etc. These items were either inherent within the property at the time of acquisition or could have been subsequently installed.

### **Why are these items missed?**

Until an accountant, owner or leaseholder instigates the process of identification i.e. a ROOM BY ROOM SURVEY with appropriate valuations of the qualifying items, they will remain unclaimed. This means a substantial benefit is missed as items that are fixed, screwed, nailed to or within a property are taken for granted, unless identified by an experienced tax specialist after carrying out a survey.

### **Who can claim the benefit?**

The tax benefit is available to the party that incurred the expenditure – purchasing a commercial property OR funding refurbishment or extensions.

### **How is the benefit claimed?**

The tax claim is used to generate a tax repayment where appropriate and is then used as tax credits to reduce future tax liabilities, this helps protect your income against tax. Capital Allowance Review Service ensures that the tax benefit is utilised in the most efficient way for your circumstances.

“.....capital allowances have been around for a long time. However, they are greatly misunderstood and under estimated!”



## We take responsibility for the whole claim process

Capital Allowance Review Service Limited specialise in highlighting the tax allowances available through the 'Property Embedded Fixtures & Features' of commercial property.

Unlike many other providers, we manage the process from 'start-to-finish' (see diagram).

We have a 100% claim success rate. Over 10 years we have used our expertise to generate a claim total of over £70,000,000.

- **THE FEES ARE BASED ON A VIABLE CLAIM – NO CLAIM NO FEE!**
- **ADVICE TO ACCOUNTANTS AS TO HOW TO APPLY BENEFIT**
- **OUR FEES ARE TAX DEDUCTIBLE**
- **NO HIDDEN CHARGES OR EXTRA FEES**
- **WE DO NOT NEED INVOICES**

WE CARRY FULL PROFESSIONAL INDEMNITY COVER AND HAVE NO DISCLAIMERS IN PLACE THAT WOULD NEGATE OUR ADVICE OR AFFECT OUR RESPONSIBILITY AND SUPPORT TO THE CLAIM PROCESS.

### How do we do it?

- We do not waste your time or ours – we check there is a viable claim first at no cost to you.
- We carry out a physical survey of the property compiling an accurate inventory listing the qualifying items. We then have this independently valued.
- We apply a full level of due diligence ensuring there are no duplications and that the claim is credible. We work with your advisers to achieve this.
- We submit the claim to the HMRC on your behalf and monitor its progress taking full responsibility.
- All parties are made aware of the legalities relevant on future property disposals and acquisitions where a claim has been made. Correct advice is vital.

### Our Process



## Illustrative savings chart

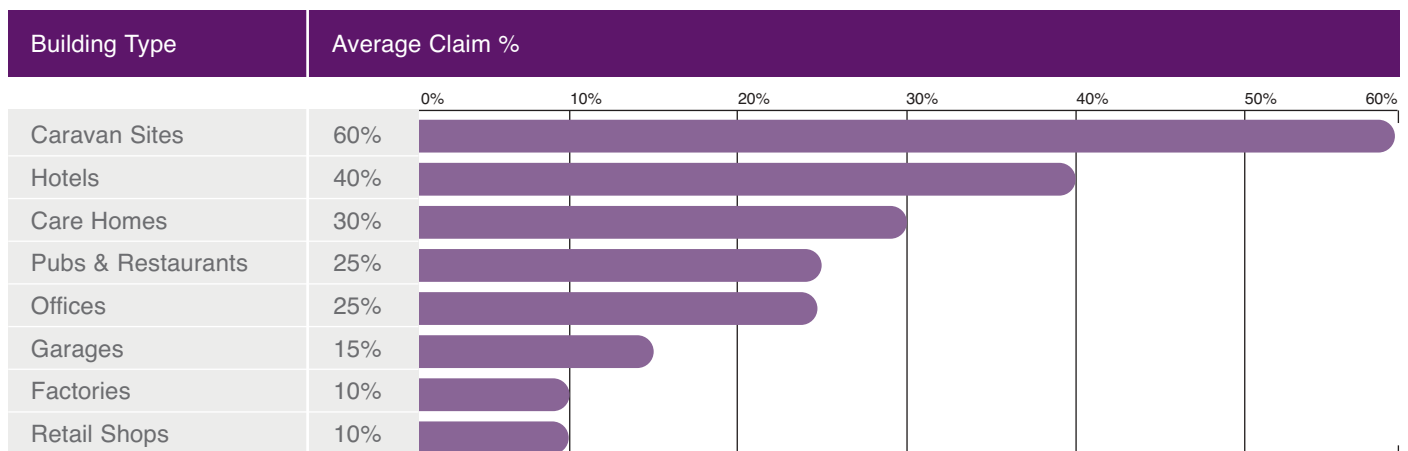
Property Purchase Price	Property Embedded Fixtures & Features Available (20%)	Savings if liability to tax is 20%	Savings if liability to tax is 40%
£300,000	£60,000	£12,000	£24,000
£500,000	£100,000	£20,000	£40,000
£1,000,000	£200,000	£40,000	£80,000
£2,000,000	£400,000	£80,000	£160,000
£3,000,000	£600,000	£120,000	£240,000

No maximum limit

20% is typical but amounts may vary.  
The majority of this figure is written down within 5 years.

To identify your personal savings more accurately, please visit our online capital allowances calculator at [www.capitalallowancesonline.com](http://www.capitalallowancesonline.com)

### Typical capital allowances identified



“.....we can create a tax repayment, the balance is then used over a period of time.”



## Case studies

### Lake District Hotel

Property Acquired - 2007  
Claim Date - 2008

Claim Amount - £163,000

The owner of Broadoaks Hotel was delighted when Capital Allowance Review Service, much to her surprise, identified unclaimed property embedded fixtures & features in excess of six figures within the property, which were unclaimed by the previous owners, resulting in a tremendous personal tax benefit both now and into the future.



### Care Home

Property Acquired - 1997  
Claim Date - 2005

Claim Amount - £132,000  
Immediate Tax Refund - £34,000

We discovered £132,000 of property embedded fixtures & features which may have remained unclaimed. We now know, claiming the full value of allowances is a specialist task with massive benefits if done fully. This lack of understanding is highlighted by the fact that nobody knew, prior to our conversation with Paul Roberts, that you could actually get a tax benefit on the same item twice!!!"



### Golf Club

Property Acquired - 1990  
Claim Date - 2012

Claim Amount - £280,000  
Immediate Tax Refund - £17,000

We made a Property Embedded Fixtures & Feature claim, we initially thought this is too good to be true. As there was no financial risk to ourselves we took their advice. There was little involvement required from ourselves as the majority of the required information was provided to Capital Allowance Review Service by our accountant.



### Hotel

Property Acquired - 1996  
Claim Date - 2007

Claim Amount - £113,357

Proprietors of the Haytor Hotel, have no hesitation in recommending any fellow hotelier to follow our example in appointing Capital Allowance Review Service to carry out a capital allowance claim. We were amazed to discover, to our benefit, capital allowances of six figures, unclaimed by the previous owner and now available to us to offset our future tax liabilities.



### Hotel

Property Acquired - 2007  
Claim Date - 2010

Claim Amount - £452,000

Capital Allowance Review Service completed a claim for the last of our five hotels. Of the £1,700,000 we spent, they highlighted unclaimed embedded fixtures & features valued at £452,000 which will be added to the allowances pool to further reduce future tax liabilities. We would highly recommend Capital Allowance Review Service to your business as we now realise this is a 'no brainer' in our view.



### Office

Property Acquired - 2005  
Claim Date - 2012

Claim Amount - £291,000  
Immediate Tax Refund - £47,650

The end result was the survey showing £291,000 of plant out of a total property cost of £1.1m (about 26%). The client is a limited company ... but in the 32.75% tax band, so likely to get tax relief of £95,300 in total. The immediate impact is a tax refund of £47,650!"



## Technical Support

### **New Rules - Post 2014**

## **IF THESE RULES ARE NOT UNDERSTOOD, THERE ARE DRAMATIC & COSTLY IMPLICATIONS AND CONSEQUENCES AS A RESULT.**

Previously very few commercial property owners and advisers knew about the extent of the capital allowances rules for 'Property Embedded Fixtures & Features'. The mandatory requirements following the legislation changes means this is rapidly changing however it is inevitable that some commercial property owners will lose out on claiming this tax benefit.

There was previously no time limit for which claims could take place. However, as a result of the legislation changes, property owners may lose this benefit forever meaning advisers may well be held responsible for the loss as a consequence.

**To avoid this risk, our advice is to bring in the experts to assess your case, FREE OF CHARGE.**

### **Accountants & Solicitors**

When it comes to your clients, we provide all aspects required to give you the peace of mind your client is benefitting correctly and ensuring you are fully protected.

Many are aware this tax benefit is available but now realise this benefit requires expert knowledge and specialist support. We work in a manner that carries both you and your client through the whole process ensuring you are able to continue to manage the day-to-day pressure of your own expertise.

- We provide a full initial assessment of a client's position, FREE OF CHARGE.
- We provide a complete process when claiming the benefit for your client.
- We maintain full responsibility for the claim and complete interaction with HMRC, if and when required.

### **Enhanced Capital Allowances (ECA's)**

The Enhanced Capital Allowance (ECA) Scheme is a key part of the Government's programme to manage climate change. It provides businesses with enhanced tax relief for investments in equipment that meets published energy-saving criteria. Our process highlights where this enhanced benefit is available to you and provides support on the items that qualify.



## Our biggest problem.....everyone thinks they've already done it!

### 1. My accountant already deals with our capital allowances. Isn't this something they should have done already?

Most accountants do provide capital allowances advice. However, we have consistently been able to generate significant extra value by identifying opportunities to increase and accelerate tax savings. This is even where our client was initially sceptical that we would be able to add any value beyond their existing adviser.

### 2. My accountant assures me they have already claimed everything

We are specialists, we have a different skill-set and more in depth and up-to-date understanding of capital allowances law and practice than most accountants, who deal with the issue less frequently and widely than us. Your accountant will claim on everyday purchases such as curtains, carpets, fire extinguishers and radiator covers but unless a specialist surveyor has analysed the property then you may be missing out on a potentially large capital allowance claim. We are not undermining your accountant. It is not in his remit to perform these retrospective claims. Your accountant is not a property expert. If your accountant hasn't undertaken a detailed survey of the property it is highly unlikely that all allowances have been claimed.

### 3. What if this causes problems with HM Revenue & Customs?

HM Revenue & Customs are used to dealing with these claims and our specialist advisers will deal with all stages of the process. In the unlikely event of any issues being raised it is part of our service to resolve any queries.

### 4. Do we need invoices?

No, valuations are part of the process.

### 5. Will this affect my capital gains tax or reduce the value of my property?

When you come to sell this will in no way affect your capital gains tax liability nor can you be taxed on a tax repayment. Capital allowances are a right, not a privilege, and are not taken into account when property is valued for commercial or accounting purposes.

### 6. I bought my property 10 years ago. Can I still claim?

Yes. It is possible to claim capital allowances in any later years' tax return, as long as the assets are still owned in that later tax year.

### 7. I don't have sufficient taxable profits to benefit from capital allowances. Should I bother with them?

Yes. In our experience it is always best to identify capital allowances qualifying expenditure promptly. Firstly, you may have other income, or profits elsewhere in a group of companies, that the capital allowances can be set against. And secondly, when you become profitable and have used all your carried forward tax losses, then the capital allowances will be invaluable. Many allowances can also be 'disclaimed', which means identifying and agreeing the amount qualifying for tax relief up-front, but choosing to defer claiming the relief until it is actually needed. However, very many times we have seen businesses short-sightedly failing to claim capital allowances because they are loss-making, and then not claiming in later profitable years when they need the relief.

### 8. It sounds too good to be true. There must be some hidden costs?

There are absolutely no hidden costs. Should we fail to identify an additional £50,000 in unclaimed capital allowances then there are no fees whatsoever. In short, there is absolutely no catch, if you benefit then so do we. You have paid this money out why not get some of it back.

**Capital allowances claims are ideally suited to being dealt with on a stand-alone basis separately to other tax matters and we work alongside other advisers without any conflicts of interest or scope overlap issues occurring.**

