

## EMBEDDED CAPITAL ALLOWANCES

### Help Sheet

#### **Property Owners:**

- Owner occupiers
- Landlords
- Tenants

#### **Typical Properties:**

- Furnished Holiday Lets
- Hotels, Restaurants, Pubs etc
- Nursing Homes, Care Homes, Specialist schools
- Holiday Parks
- Golf Clubs, Race Courses
- Mixed Industrial Units,
- Offices
- Medical Centres, Dentists, Vets, Retail
- ...and pretty much any other commercial property you can think of

#### **Anticipated “find”:**

- Between 10 – 40% of cost of a purchase price
- More than 50% of cost of a new build, refurbishment or extension

NB it is not just the cost of the item that we include within a claim, but also:

- the cost of ancillary connections (wiring, plumbing etc)
- the cost of the labour to install it
- a percentage of the preliminaries, design and professional fees

#### **Qualifying items include:**

- Heating & Ventilation Systems
- Electrical systems & Telecommunications equipment
  - (including many energy saving systems – LED lighting, solar panels)
- Fire safety & Security items
- Sanitary ware
  - (many dual flush toilets qualify for enhanced relief at 100% in year 1)
- Ironmongery etc.

**Process:**

- Evaluation questionnaire completed by client
  - To provide initial details of specific circumstances
- Due diligence started by Elect
  - To establish legal entitlement to make a claim
- Engagement with client
  - (No fees are payable until the work is complete)
- Forensic survey of the commercial property to identify all qualifying items
- Liaison with accountant to establish previously claimed items (as CAs or relieved through the P&L by way of Repairs & Renewals)
- Costings/valuation of all additional qualifying items identified
- Final report completed
- Invoice raised

**Fees:**

- Contingent based at 5% of the additional qualifying expenditure identified
- Enquiry cover included – so no effect on your Fee Protection Insurance policy
- Invoiced upon completion of the final report
- Terms generally 30 days (this allows any refund due to be processed by HMRC)

**Case Studies:**

**Bar & Restaurant:**

- Refurbishment £955,897
- Qualifying items £488,608
- **50% of spend**

**Nursing Home:**

- Purchase price £ 750,000
- Apportioned items £ 104,584
- **14% of purchase price**
- Refurbishment £1,248,305
- Qualifying items £ 801,470
- **64% of spend**

**Motor Workshop & Offices:**

- Build cost £670,000
- Qualifying items £188,010
- **28% of spend**

**Small Property claims:**

**Office:**

- Purchase price £124,999
- Apportioned £26,576
- **21% of purchase price**