



100% HMRC
Approval



Compliant with
UK Tax Legislation



No Financial
Risk

Capital Allowances for Business Property Purchases

Shining a light on untapped tax savings
hidden in your business property

ZEAL

*For new generation tax advice.
Do it with Zeal*

www.gozeal.co.uk

Capital Allowances Explained

When you buy a building, you don't get tax relief for the purchase price you paid against your business or rental profits. Tax relief is received when you sell the property to reduce capital gains tax.

What many property owners and their advisors don't realise is, if the property is used for the purpose of a business, UK tax legislation allows tax relief to be claimed on a proportion of the purchase price that relates to 'Fixtures' that were acquired

with the property. Fixtures include the electrical, heating and ventilation systems, kitchens, bathrooms, carpets, drainage, alarms etc. These items are more commonly referred to as 'Embedded Fixtures'.

The tax relief is known as **capital allowances**. By claiming capital allowances on a business property purchase, significant tax repayments and future tax savings can be achieved.

A major underclaimed tax relief

It has been estimated that 8 out of 10 smaller businesses and property investors have not made claims for capital allowances on embedded fixtures.

The tax legislation for claiming capital allowances on fixtures is complex and given that the purchase price does not normally include an apportionment for the value of the embedded fixtures, making a claim requires the skills of surveyors and capital allowances specialists like us.

In most cases, property owners are entitled to claim capital allowances on part of the price paid to buy the property. For some buildings, this can be up to 40%.



Items eligible for capital allowances



Water and Heating Systems



Beer/Wine Pumps and Taps



Telephone and TV Points



Kitchens and Bathrooms



Carpets and Floor Coverings



Underground Pipework



Lighting and Electric Systems



Security and Fire Alarms



Reception and Bar Counters



Door Locks and Handles

Other qualifying items include:

- Cold water systems
- Ventilation systems
- Water heating systems
- Lifts and escalators
- Air-conditioning or cooling
- Swimming pools
- Building extensions
- Infrastructure

☆ Who can claim?

Owners of business property, freehold or leasehold, and paying UK corporation tax or UK income tax.

Business property owners are eligible to claim if they are a company, sole trader or partnership and are carrying on a trade or a property letting business (including furnished holiday lets in the UK or European Economic Area).

Residential properties do not generally qualify. Therefore, property that has been bought to rent out as a private home/residence is not usually eligible.

There is no time limit to make the claim, providing you still own the property and the fixtures in the tax year you submit the claim. This means that even if you bought your property in the 1980's, 90's or sold it up to 2 years ago, you may still be able to claim the tax relief now.

Answer **YES** to these simple questions and you could be due a tax repayment from HMRC:



Did you pay over £100,000 to purchase your business property?



Have you paid Tax in the UK in the last 2 years?

Call our specialists on **01633 287898** or visit **www.gozeal.co.uk** to start your claim with HMRC.



We work on a **no-win, no-fee** basis and **100%** of our claims have been **approved** by HMRC.

What business property owners need to know about claiming capital allowances tax relief:



We offer a **RISK-FREE** service with no upfront costs or fixed fees.



Even though it's about tax, this is not a service that your accountant will provide.



Claiming on purchases after April 2014 can be more complex, but is still possible.



Minimum purchase price approximately £100,000.



Not all property purchases will qualify.



Claims are based on UK Tax Legislation – this is **NOT** a tax avoidance scheme.



We have a 100% success rate on claims submitted to HMRC.



On average, we identify £1m per month of unclaimed capital allowances.

Capital allowances are specifically allowed by UK tax legislation. All qualifying businesses and landlords are entitled to claim.

☆ How does it work?

The claim process

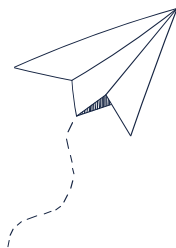
We make the process of claiming capital allowances simple, hassle-free and cost effective. We do all the hard work for you.

The process to claim capital allowances for embedded fixtures acquired with business properties is relatively straight forward and requires minimum input from property owners or their advisors.

Our team has a wealth of experience in preparing and agreeing claims with HMRC and our methodology and claim reports are in a format that has been agreed with them; meaning we can swiftly agree our claims.



The process for most claims takes approx. 6-10 weeks from start to receiving your refund.





Consultation 01

During the initial consultation we discuss the background to claiming capital allowances and how this may apply to your property. At this stage we will require some basic information to enable us to pre-qualify you for a claim. For example, purchase price, date of purchase, type of property, your tax position etc.



Validation 02

A member of our technical team will then review the case and determine whether you have entitlement to make a claim and calculate the potential tax savings you can obtain. If you then wish to proceed with a claim, we will carry out our client take on procedures.



Survey 03


Once our client take on procedures have been completed, one of our experienced surveyors will carry out a capital allowances survey of your property.



Report 04

The Capital Allowances Valuation Report (CAVR)

Once the survey is complete our technical team prepare a report that values the building structure, the land and all the qualifying fixtures within the property. This report is then sent for approval, either to yourself or your accountant.

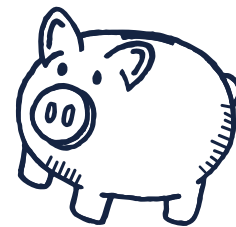


Submission 05

Dealing with HMRC

Once the CAVR is approved, we will submit the report to HMRC. If required, we will deal with any queries from HMRC, however we generally find that our reports rarely generate any queries.

How much tax could I save?



Our process is fully compliant with HMRC and designed to get our clients the maximum tax refund.

Properties and their use vary and the true value will only be determined once we have conducted a full review and survey of the property. The table opposite provides an indication of the percentage of a purchase price for a range of business properties that would qualify for capital allowances.

TYPICAL VALUE OF CLAIMS

Offices	15% – 35%
Industrial units	10% – 30%
Furnished holiday lets	20% – 40%
Hotels and B&Bs	20% – 45%
Care homes	25% – 50%
Doctors/Vets	15% – 35%
Retail units	10% – 30%
Pubs & Restaurants	10% – 40%

Example:

An office building purchased for £400,000 could generate capital allowances of £60,000 to £140,000. This would result in tax savings from £12,000 to £28,000 for a basic rate taxpayer. A higher rate taxpayer would make total tax savings of £24,000 to £56,000.

Tax savings are generally received over a period of time, but in the example above, immediate cash repayments of £4,000 to £10,000 could be achieved for basic rate taxpayers or a company.

Purchase price	£400,000
Est. capital allowances	£60,000 – £140,000
Total tax savings	£12,000 – £28,000
Cash repayments (basic rate of taxpayer)	£4,000 – £10,000

The repayments would be double for higher rate taxpayers.

The balance of tax savings would continue to mitigate or eliminate the tax due for several years.

Building types we regularly claim capital allowances on:



Offices



Vets and
Animal Care



Nurseries



Holiday and
Residential Parks



Hotels
and B&B's



Funeral
directors



Manufacturing



Care homes



Self-catering



Hairdressers
and Salons



Haulage



Call centres



Solicitors



Pubs and
Restaurants



Doctors



Education and
Training facilities



Accountants



Kennels and
Catteries



Travel agents



Shops & Retailers



Dentists



Furnished
Holiday Lets

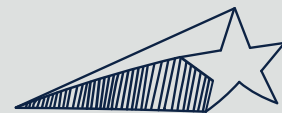


Garages



Factories and
warehousing

Frequently asked questions



My accountant already deals with capital allowances. Isn't this something they would have done already?

Most accountants do provide capital allowances advice and will claim capital allowances on qualifying capital purchases. However, to claim capital allowances on fixtures embedded in a building you require specialists in tax and surveying.

My accountants are excellent and assure me they have already claimed everything we can?

Your accountant will claim on everyday purchases such as curtains, TV's, fire extinguishers and furniture, but unless a specialist surveyor has analysed the property you may be missing potentially large capital allowance claims. If a survey for capital allowances has never been undertaken it is highly unlikely that all allowances have been claimed.

The claims we prepare require the skills of both tax and surveying professionals, they are outside the remit of an accountant. Generally, property owners who have claimed capital allowances for fixtures would have received a cash rebate from HMRC and will have engaged a specialist firm to prepare the claim.

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

Yes, the claim is made in a tax return that is still open for amending (usually last years). Our claim does not affect any other tax returns submitted previously. HMRC can only make enquires into the tax return we submit.... it doesn't affect any earlier years submissions.

Does the claim affect my capital gains tax position when I sell the property?

This is commonly asked question by clients and their advisors. The simple answer is that it has NO impact on capital gains calculations when you sell the property. You may still claim the full price you paid to buy the property against the sales proceeds even if you have claimed capital allowances.

What if I sold the property in the last 2 years?

You can still make a claim.

What if I am about to sell the property?

There is no better time to claim. Contact us immediately.

What records do you need to submit a claim?

We generally just require some information from your accountant, for example a copy of a tax return and accounts. If you bought the property in the last 5 years, we may need to see legal documentation in relation to the purchase (e.g. purchase contract, CPSE, completion statement).

Is the process complicated, I'm so busy I don't have the time for it now?

The process is very simple and requires little input from you or your accountant. Our experience and methodology ensures that the claim is completed quickly and efficiently and with the minimum of disruption to you or your business.

Once we have established you are entitled to claim, we will undertake the site survey and then complete the claim at our offices. All we would need is for you, or somebody with good knowledge of the property, to be in attendance when we carry out the survey (approx. 1 hour). We also prepare and submit the claim to HMRC. This avoids additional accountancy fees.

What if HM Revenue & Customs don't allow the claim, will I end up with penalties?

Where a property owner meets the criteria of the legislation, they are entitled to claim the tax relief. In the unlikely event of any queries being raised by HMRC, it is part of our service to resolve them. We don't however proceed with claims that do not meet the requirements of the relevant tax legislation.

The claim report is submitted to HMRC with your tax return. As the report fully discloses the basis of entitlement to the tax relief and the methodology taken, enquires by HMRC are rare. The disclosure in the report mitigates the risk of penalties or a discovery assessment.

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

We often hear that, but this is genuinely not the case. We don't charge any extra costs. If a claim is not successful there will not be a fee. However, not all property owners are entitled to the allowances and we also have a minimum estimated claim value of £30,000 before we would take a client on.

This is not a tax avoidance scheme. We have agreed claims with HMRC with 100% success rate to date. HMRC would confirm this if you called them.

About us



100% HMRC
Approval



Compliant with
UK Tax Legislation



No Financial Risk

We aim to help business property owners and investors unlock the tax savings in their properties.

ZEAL are one of a growing number of specialist capital allowances businesses in the UK making commercial property tax reclaims. The difference with us is that using our knowledge and technical experience our team have enabled making capital allowances claims simple, hassle free and cost effective.

Even small businesses and independent landlords can now benefit from the significant tax savings available, which many still have no idea they can claim!

We work on a paid-by-results basis, so there is nothing to lose and likely thousands of pounds to gain.

Don't just take our word for it...



"I must say I was sceptical at first. But after I clarified the service with my accountant I was very pleasantly surprised that I was in a position to claim this tax back. I am very happy that Zeal Tax was so willing to speak to my accountant directly as the scepticism on my side could have potentially hindered the deal. But they were happy to go..."



Nursery Owner, Cardiff

"We were really pleased with how easy the process was and the money we had back from HMRC. We were a bit sceptical but after speaking with our accountant he confirmed the claims were valid."



B&B Owner, Cotswolds

"We were amazed at the knowledge and skills of Zeal's tax consultant. We received a timely cash injection and drastically reduced our annual tax bill. Highly recommend..."



Hotel Owner, West Wales

We make claiming capital allowances simple, hassle-free, cost effective and available to all types of businesses.

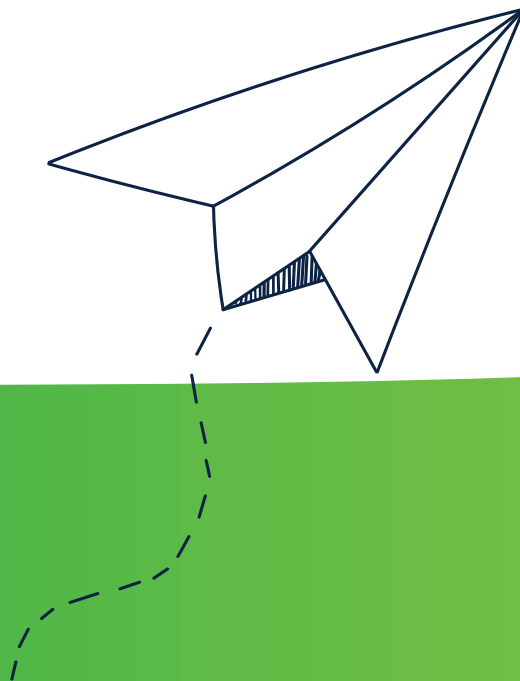


Each month we complete an average of **15-20 client reports** on properties valued between **£100,000 and £2m+**. We have a **100% refund approval rate** with HMRC.

Capital allowances are specifically allowed by UK tax legislation. All qualifying businesses and property investors are entitled to claim.

Guidance from HMRC on claiming capital allowances, including what items can be claimed for, can be found at:

www.gov.uk/capital-allowances



*We have Zeal.
Do you?*

ZEAL



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www.gozeal.co.uk