

How can we help?

Assess

We'll meet with you to discuss your potential capital allowances claim and how we can help.

Identify

We will review your capital expenditure and capital assets to identify potential current and historic claims.

Recommend

You will receive our recommendation on which assets are likely to qualify for tax relief and we will make you aware of any follow-on impacts on your current tax position.

Draft your claim & deal with HMRC

We'll help you to complete the claim and submit it to HMRC on your behalf. If any queries arise, we will discuss these with HMRC on your behalf. If tax relief is available to you we will request the tax repayment at the earliest opportunity.

How much does our advice cost?

We will provide you with a fixed fee at the outset of the assignment. We may also need to instruct a full survey of any property to uncover all qualifying plant & machinery and integral items. We will discuss this with you at the initial meeting.

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Planning to buy,
build, extend or
refurbish?

You may qualify for a
reduction in your
annual tax bill.



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Tax saving ideas for businesses
Are you taking advantage of capital allowances?

What are capital allowances?





















Quite simply, capital allowances can reduce your annual tax bill. They can be claimed for some types of capital expenditure, but generally speaking, anything that is used for a business purpose that has a useful life of two or more years may qualify.

They are treated like any other expense and can be deducted from your profits, or added to a loss when calculating your taxable profits at the end of the financial year. The deductions recognise that assets and equipment can lose value as a result of general use, wear and tear. In other words, capital allowances are the tax equivalent of depreciation.

What type of assets qualify?

There are a wide range of qualifying assets. Some illustrative examples are featured below.

It is often the case that embedded plant fixtures are not valued separately resulting in qualifying items remaining unclaimed. In some circumstances, we will recommend that a survey of your property is carried out to ensure that all qualifying items are picked up and included in the claim.

Plant & Machinery	Property
 Items that you keep and use in your business e.g. computers, office furniture & equipment	 Factory/Industrial units
 Business machinery e.g printing presses, lathes, tooling machines	 Office buildings
 Computer aided machinery, including robotic machines	 Leisure and recreation facilities
 Space and water heating systems	 Hotels
 Air conditioning and cooling systems	 Shops and showrooms
 Hot and cold water systems (but not toilets and kitchen systems)	 Nursing Care homes
 Electrical systems	 Storage/Warehouse
 Lighting systems	 Transport yards
 Wind turbines and fibre optic cabling	 Student accommodation
 Fire alarm and CCTV systems	 Garages

What allowances are available?

Annual Investment Allowance (AIA)

offers tax relief at 100% on qualifying expenditure in the year of purchase, subject to some exceptions (e.g. cars).

First year allowances (FYA)

enable businesses to deduct the cost of the assets purchased in the same tax year that they were bought. The remaining proportion is carried forward to the next year.

Writing down allowances (WDA)

come into play when you wish to claim against the cost of an asset purchased during the year, for which you have not claimed FYA.

Enhanced Capital Allowances (ECA)

are designed to encourage companies to invest in low carbon, energy saving equipment. So not only can ECA's provide valuable tax relief – ECA qualifying items provide an increased tax saving over the above allowances - they also encourage companies to invest in equipment that is more energy efficient and environmentally friendly.

How much tax relief can you get?

The value of the tax relief given is directly related to the rate of tax you pay i.e. the higher your rate of tax, the higher the value of the allowance will be. Different types of qualifying expenditure attract allowances at different rates.

See Martin Aitken & Co's Tax Rates publication for the current rates and allowances on maco.co.uk, or get in touch with us to discuss your potential claim for tax relief.

When should you seek advice?

If you are planning to buy, build, extend, refurbish or sell commercial property it is worth a call to us to discuss what may qualify before you begin the project.

Similarly, if you are planning to invest in any plant and machinery, give us a call and we will give you an indication on whether your investment is likely to qualify.

If no previous claim has been made for commercial property, you can make a claim at any time whilst you own the asset. So, it often pays to review your historic asset portfolio to ensure that you have claimed all the reliefs that may be available to you.

Recently, we identified £330,000 of qualifying expenditure – property and plant & machinery – for a manufacturer in the food & drink sector who was relocating their factory.