

Property Embedded Fixtures and Features (PEFFs)

MSC R&D has the expertise to help you optimise your property related Capital Allowance Claims



A Hidden Capital Allowances Opportunity

Capital Allowances allow commercial property owners to claim qualifying items of capital expenditure as a tax deduction and are a valuable tax relief.

However, whilst Accountants regularly and comprehensively claim Capital Allowances on moveable items, furniture etc, based on invoices provided by their clients, the capital allowable items embedded within the property are often overlooked, resulting in claims typically less than 50% of entitlement.

Invoices are generally unavailable for these items and, until the accountant, owner or leaseholder instigates the process of identification i.e. a ROOM BY ROOM survey with appropriate costing of these qualifying items, they will remain unclaimed and a potential substantial benefit to the client will remain hidden.

Who can claim the benefit?

The tax benefit is available to the party that incurred the relevant expenditure or purchased the property i.e. an individual, a Company, partnership etc.

How is the benefit claimed?

The claim is used to generate a tax refund where possible and is used as a tax credit to reduce future tax liabilities.

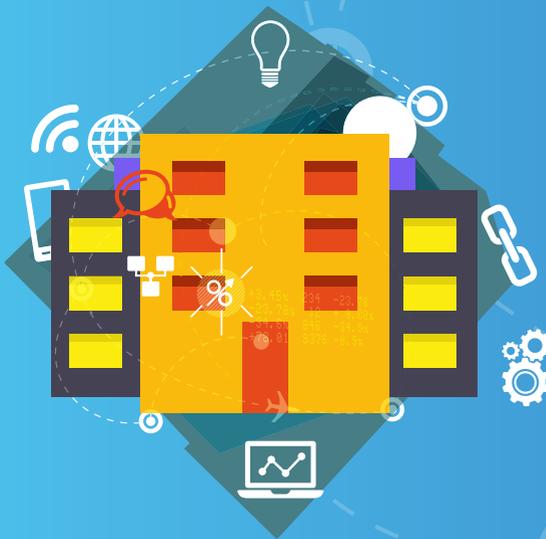
How can MSC R&D help?

Recognising the specialist nature of this area of taxation, MSC R&D has developed a full-service capability to offer our clients.

We have been providing this service for over 15 years, successfully handling 000's of claims ranging between £60,000 and several million.

The MSC R&D methodology affords the client:

- Our intimate knowledge of Capital Allowances legislation
- Our stringent investigation of the previous handling of Capital Allowances
- Our professional surveying and costing of property
- Individual advice pertaining to each case
- Liaising with professional Advisors and HMRC
- Comprehensive aftercare during the time when HMRC may revisit a claim.



The Process



Case Studies



Offices

- Property acquired – 1979
- Acquisition and improvement costs £3,066,255
- Claim amount (2015) £447,019
- Total Tax Savings £98, 194

Since 1979, the client had spent £3,066,255 on buying and improving their head office. We identified a staggering £447,019 in unclaimed Capital Allowances, equating to 15% of their total expenditure. This generated a £22,193 tax refund and credits to offset against their future tax liabilities totalling £76,001.

Leasehold Property Expenditure

- Property acquired – 2006
- Leasehold Improvements Spent - 2016
- Claim amount £118,000
- Total Tax Savings £24,909



The client specialises in intelligent solutions for the public sector and traded from three units in which they owned the freehold of one and leased the other two. Since the acquisition in 2006 of one unit, the company expanded and acquired the lease of additional units in 2016.

Serviced Office Block

- Property acquired – 2001, 2003, 2007
- Total Property Cost £1,187,000
- Unclaimed PEFs £497,310



The client owned three commercial properties acquired in 2001, 2003 and 2007 that were rented out as serviced office blocks in the Nottingham area. Due to the client's tax status this meant that £99,468 of tax would be saved as a result of the PEFs highlighted. We were able to generate a tax repayment (cash) of £26,929 and reduce their tax liability by £72,539 in future years.

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.





MSC R&D SERVICES ALSO INCLUDE:

- R&D Tax Credits
- R&D Allowances
- Patent Box
- R&D Grants

WHAT NEXT?

If you can answer **YES** to one or more of the following questions and are currently profitable and paying Corporation Tax:

- Do you own, or intend to since year end, a commercial property?
- Has there been significant expenditure on your existing commercial premises in recent years?
- If you lease premises, has there been significant expenditure on it in recent years?

Contact our **Capital Allowances** team at capitalallowances@mcsbdg.co.uk,
or call on

07538 445089

MSC R&D'S COMMITMENT TO QUALITY

