

# Frequently Asked Questions

## **What are Capital Allowances?**

Capital Allowances (CA's) are a tax deductible allowance which can be set against business profits; CA's are an annual claim for Plant & Machinery and Fixtures & Fittings such as desks, chairs, tables etc.

## **So what are 'fixed' or 'immoveable Capital Allowances'?**

These are items of Plant & Machinery that also qualify for CA's but might be considered to be part of the building; for example toilets, baths, sinks, air conditioning.

## **But surely my accountant has already claimed for these?**

It is possible that he/she has made a claim, but have you told your accountant that these items are in the property or has your accountant conducted a survey to value these items? Even if he/she has this information there could still be a wealth or further fixed Plant & Machinery that haven't been identified; for example ceilings that have air conditioning units can qualify as too, can fire doors and all other fire security equipment – the same applies for general security equipment.

## **So does this mean that my accountant has been negligent because he/she hasn't identified the embedded CA's in my property?**

Not at all. Finding the embedded CA's in a property takes various skills – surveying, quantity surveying and tax & accountancy expertise. It is also very time consuming, so you might not thank your accountant for incurring significant fees without any certainty of reducing your tax bill.

## **So what do you charge?**

We will work on a contingent basis. This means that we will only charge you if we find embedded CA's in your property – no CA's found, no fee charged. If we find additional CA's, then we will charge you a percentage of those extra CA's that we discover.

## **Can you guarantee me a tax refund?**

No, some businesses that are loss making or have losses brought forward may not gain an immediate tax benefit. Also sometimes, it may pay to delay making the CA claim until such time a business is paying a higher rate of tax to optimise the refund. However, as part of our fact find process prior to carrying out the ReCap survey, we will review your tax position and let you know what the savings might be.

## **Sounds good to me, what are the hitches?**

There can be a lot of information that we need which may mean that you have to provide the sale/purchase agreement for the purchase of your property, accounts going back to the acquisition of the property and your tax and Capital Allowances computations for past years. This can be time consuming, although we would be pleased to work with your accountant and/or solicitor to obtain as much of this information as possible.

## **Is my business likely to be suitable for ReCap?**

A brief conversation with ReCap will ascertain whether your building might be suitable.

## **Yes, I think my business might be suitable, but what do I do now?**

Telephone one of our ReCap consultants on [0870 167 0790](tel:08701670790) and we will tell you precisely what information we need to help us decide if we can help you.

## **I have read about HMRC taking a very dim view on tax avoidance; will the tax Inspector single me out if I make a ReCap claim?**

Firstly, let us put your mind at rest – ReCap merely determines your ENTITLEMENT, it is not in any way tax avoidance. Therefore, you should not be singled out by the Inspector. It is possible, however, that the Inspector may ask questions as to the extent of the survey; we will deal with these questions as part of our service and without additional charge.

## **If you have anymore questions & think ReCap would benefit you contact the ReCap team...**

- by calling [0870 167 0790](tel:08701670790)
- by email at [recap@abbeytax.co.uk](mailto:recap@abbeytax.co.uk)