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Regulated by RICS

**Helping GPs Save Money
on GP Premises Expenditure**

**Veritas
Advisory®**

Reducing the Construction Cost of GP Practices

Veritas Advisory are currently advising BUPA, accountants and many GP practices across the country to help reduce the costs of their developments, refurbishments, and fit-outs on their properties across the UK.

A widely missed tax relief promoted by the government and specific to property expenditure, the cash saving to an individual GP Partner is significant, equating to 45p in every £1 spent.

Veritas Advisory are expert at maximising the cash savings by reviewing aspects of a project that are commonly overlooked or misunderstood, including:

- How to recover VAT on the project where the GP Partners are not VAT registered,
- How to allocate grant payments to specific expenditure whilst meeting the NHS criteria,
- How to accelerate the cash flow benefit by identifying certain energy efficient fixtures, and
- How to increase claims by up to 25% by reviewing all expenditure incurred beyond the main contract costs.

Case Study - £200,000 Cash Saving between 5 GPs

A recent case study below, where it was initially perceived minimal savings were available, realised on average £40,000 in tax savings for each of the GP Partners of the practice.

GP Practice Refurb + Extension	£1,200,000 [excluding fees]
Grant Received from NHS	(£500,000)
Grant Received from Pharmacy	(£600,000)
Perceived Expenditure By GPs	<u>£100,000</u>

Cash Saving Identified - £200,000 Split between 5 GP Partners

Despite a perception on paper that only £100,000 of the expenditure was funded by the GPs, efficient structuring of the grant payments and consideration of the VAT status of the Partners, together with identification of expenditure qualifying for tax relief, including professional fees incurred outside the main contract works, meant £200,000 of tax savings were identified.

Contrary to common perception, claiming the tax relief does not increase Capital Gains Tax liabilities on future sale.

How to Identify the Tax Savings

HMRC recommend that a specialist consultant is employed to identify the tax savings due to the property specific nature of the tax relief and the requirement to be able to value land and buildings, without detailed supporting information.

Identifying and maximising the tax reliefs available to GP Partners on GP premises expenditure is further complicated due to:

- Grant monies received from the NHS or adjacent pharmacies
- VAT status of the Partners of the practice
- Incompleteness of detailed construction costs

Call one of our Directors for a free initial discussion to understand the potential savings on your specific project and how we work with your accountants to maximise your returns.

ABOUT US

Veritas Advisory are specialist property tax advisors, with 60 years experience between the 3 Directors, whose medical sector capability and experience extend from large new medical centre developments to single GP practice extensions and refurbishments across the UK including advising BUPA on their own expenditure. We apply our surveying and tax skills to maximise the cash savings to GP Partners from project inception to HMRC agreement.

MEET THE DIRECTORS

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