

Tax cash savings



Crisis control Nolan Masters

In these challenging times of cashflow pressure, claiming capital allowances can help generate significant tax cash savings.

HMRC has allowed businesses to defer VAT and income tax payments, but corporation tax will still represent a significant cost for businesses. Often overlooked is the ability for companies, non-resident landlords, partnerships and individuals to make a claim for capital allowances on historic property expenditure, as long as those qualifying assets are still owned.

Businesses can claim on property development expenditure, including new-builds, refurbishments, fit-outs and secondhand acquisition expenditure. The capital allowances legislation provides the

legal entitlement to review historic property expenditure that has not been fully claimed and still take the benefit from allowances missed or under-claimed.

For example, if a business undertook a £1.25m extension to a warehouse back in 2015, for which the building works were not assessed for capital allowances, a potential claim of, say, £585,000 could be made – as long as the building and the qualifying assets are still owned.

For a corporate taxpayer, this would equate to a total tax cash saving of £111,150. The business can then go back up to two years to amend an open tax return and receive a cash payment from HMRC for any overpaid tax.

It is also worth noting that the annual

investment allowance (AIA) is currently at a record high of £1m for qualifying capital allowances expenditure from 1 January 2019 to 31 December 2020.

It must, however, be claimed on expenditure incurred in that period or the allowance is lost, because it cannot be applied retrospectively for future expenditure. Qualifying property expenditure for capital allowances is usually claimed at the standard writing down allowances of 6% or 18% per year on a reducing balance basis. So typically, the majority of allowances are claimed over an eight- to 10-year period.

Claiming the expenditure against the AIA will greatly accelerate the rate at which the allowances are taken, providing a significant cashflow boost for both businesses and investors.

Nolan Masters is a director at Veritas Advisory



half the butternut squash; plant-based cream.

6. Repeat the layers and top with the cream cheese.

7. Place the dish in the oven and cook for about 35 minutes.

8. Check that the pasta is fully cooked, and serve.

Megan Davies is an associate at Charles Russell Speechlys

Culture Club



■ We can't go out but we can read, watch TV and listen to podcasts and music. John Robertson, director at John Robertson Architects, gives his recommendations.



▲ National Theatre at Home is currently showing the Donmar Warehouse's visceral 2013/14 production of *Coriolanus*, with Tom Hiddleston in the title role. It is arguably one of the most dynamic versions of the play ever staged. Its strong cast and small stage give it great immediacy and the savage conclusion is extremely poignant. It is available to watch on YouTube until 7pm on 11 June.



▲ *My Architect: A Son's Journey* is an extraordinarily moving documentary film by Nathaniel Kahn about his father, the legendary American architect Louis Kahn, who died in 1974. The film is available to watch online.



▲ Containing biographies of about 200 London architects from Inigo Jones to Norman Foster, *Architects and Architecture of London* by Ken Allinson is a great book to dip into and easy to read. *Building Seagram* by Phyllis Lambert tells the compelling story of the design and construction of the legendary New York skyscraper. Designed by Mies van der Rohe, this awesome, heroic building is a big influence on my own work.



▲ The second series of BBC podcast *13 Minutes to the Moon* uses historical interviews with flight controllers and astronauts to tell the story of the nearly disastrous Apollo 13 mission in April 1970. I remember as a schoolboy sitting mesmerised in front of my family's black-and-white TV, watching the drama unfold non-stop for five days. The entire series can be streamed on BBC Sounds.