

Claim Criteria Guidance



	Most favourable scenario	Less favourable scenario
Nature of property	Care home, Hotel, Offices, Serviced Office Blocks, i.e., buildings with lots of rooms.	Warehouse, Factory, Industrial Units, i.e., basic buildings.
Total Expenditure	Cost over & above £500,000 to acquire and/or improve.	Cost around or below £350,00 to acquire a commercial property.
Year of purchase	Within the last 5 years, i.e., availability of required accounting & legal documents.	Many years ago.
Accountants	One accountant since property acquisition and/or improvements completed.	Many different accountants.
Ownership of a company	Same shareholders throughout.	Share sale while the property was owned.
Information available	Typical information requirements: Full Accounts, Tax Returns & Fixed Asset Registers post capital expenditure. Property transaction legal documents.	Information missing.
Tax rate	Higher Rate.	Basic Rate.
Tax circumstances	Tax paid in previous 2 years and future taxable profits forecast.	No tax paid, loss-making.

It is not crucial that all the conditions on the left are met. The table is simply guidance as we assess the viability of each scenario on its own merits.

Examples

Most favourable scenario

An individual paying 40% tax bought a care home 2 years ago for £1m. They have had one accountant and all accounts and legal information are available. They have paid taxes in the last 2 years.

Less favourable scenario

A limited company who pays 20% bought a warehouse 25 years ago for £350k. The ownership of the company has changed during those years and there have been several firms of accountants employed. Consequently, there are years for which no information is available and legal documents cannot be located. The company is loss-making and no tax has been paid for many years.

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