

Case Study

Client: Central Saint Giles Limited Partnership
Start date: 2007
Completion date: 2010
Value: Analysis of circa £282m development expenditure
Services: Capital allowances
Sector: Commercial | Offices

Central Saint Giles, London, United Kingdom

Challenges

- We were appointed towards the end of the project to carry out a detailed capital allowances assessment.
- We have to obtain and analyse a great deal of detailed information in a short period of time.
- Enhanced capital allowances had to be identified.
- Verifying eligible items and appropriate costs in the absence of specific information within the contract documentation.
- Expenditure on the residential elements had to be identified and excluded from qualifying expenditure.

Solutions

- Davis Langdon was already appointed as cost managers for the scheme, so we were able to benefit from immediate access to the project team and their archive of information.
- We established contact with the external project managers, the construction managers, services engineers and trade contractors to collate supplementary information relating to the design and engineering services systems.
- We scrutinised the operating and maintenance manuals and the project extranet as part of the enhanced capital allowances review.
- A full review of the capital expenditure records was carried out to enable us to allocate appropriate expenditure to the first year, important for enhanced capital allowances, which attract 100 per cent in the first year.

Results

- We identified plant and machinery allowances equating to approximately 24 per cent of the construction budget (£49m of allowances).
- We delivered a fully auditable claim on time for their reporting purposes. All risk items were disclosed and discussed at a review meeting with the client.
- In excess of £1m of enhanced capital allowances were identified in the first year.

Reflections

- We demonstrated the benefit of having a dedicated capital allowances team deliver the claim.
- We enjoyed a good relationship with the client's construction team, finance and tax department and property teams.
- This was maintained through regular dialogue, meetings and site visits.
- We identified a number of items where enhanced capital allowances technologies could have been utilised to enhance the tax efficiency of the scheme. Other design solutions had been adopted by the project team for various reasons.



- We were able to identify a tangible benefit that could have been enjoyed had we been involved earlier on in the design stage. Future schemes should include an enhanced capital allowances review early on because planning can obviously enhance the financial returns on projects.