

Landmark office building and fit-out, London, United Kingdom

Challenges

- Early appointment allows the proper consideration of tax planning issues and will increase the items qualifying for capital allowances relief.
- Early appointment also allows us to work with the M&E consultants to consider incorporating equipment which attracts 100% enhanced capital allowances – increasing benefit further.
- The claim had to be split between multiple claimants in-line with the source of funding, benefiting all taxpayers.
- Design and build documentation contained lump sums resulting in additional analysis to maximise the claim.
- Close working with the Ska Assessor over items of an energy efficient nature, to ensure qualification and resultant tax saving.

Solutions

- Frequent site visits helped us deal with a complex project.
- An audit trail was created to facilitate negotiation.
- Enhanced capital allowances were maximised post completion by cross checking the M&E asset register with the energy technology list to identify qualifying assets.
- Regular dialogue with design team members helped build a case for items in danger of disallowance; for example, demountable partitions.
- We supplemented “missing” costs with those from our own records where breakdowns were not available to achieve a higher claim value.

Results

- The total value of allowances compared to total cost was a very respectable 78%.
- Enhanced capital allowances were secured across HVAC, lighting, controls and taps.
- A robust, fully auditable claim was delivered to the client on time.

Reflections

- The Ska assessment process necessitated incorporation of energy efficient equipment; some qualifying for the 100% enhanced capital allowances resulting in higher tax savings over standard procedures.
- Our work helped deliver a large tax saving to the client.
- Close working with the design team and client were essential elements.
- Ska and enhanced capital allowances assessments compliment each other – i.e. a good result in one, can assist in a good result in the other.
- The installation of sustainable equipment from the energy technology list was promoted by the dual benefit of providing accelerated tax relief and a good Ska rating.



The project involved the multi-million pound fit-out of a prestigious office property occupied by a multi national client organisation.