

WHO ARE WE

Banking Tax & Finance is the specialist team within Davis Langdon LLP, providing advice on taxation allowances, fiscal incentives and acting as the interface between funders and the development teams of major new building and maintenance programmes.

Taxation allowances and fiscal incentives

Banking Tax & Finance has the skills to help clients become **tax effective**. This requires the planning and control of capital assets, primarily real estate; including expenditure on new buildings, or the planned maintenance and refurbishment of single assets or whole portfolios and identification of tax reliefs on purchased property.

The current array of incentives aimed at encouraging or stimulating particular development via enhanced tax reliefs, is a complex and ever-changing scenario, which requires specialist input to avoid financial loss and to help secure many thousands of pounds of valuable tax savings.

These savings encourage re-investment, promote more efficient use of resources and ensure lower building running costs; important to landlords and occupiers alike. Such strategies are essential to preserving future capital values in this fast changing market place and increasingly stringent owner and user requirements.

Our specialist teams support tax effective strategies by integrating incentives with the clients' business objectives; supporting discreet sustainability and real estate plans:

- 'Green incentives' on buildings.
- Enhanced Capital Allowances.
- Plant and machinery.
- Land remediation relief.
- Energy saving measures during design.
- Grants.
- Carbon reduction commitment.
- VAT on buildings.

Capital allowances and 'green incentives'

Davis Langdon has the largest specialist real estate focussed tax consultancy in the UK. Formerly Crosher & James, we have consistently evolved new services to meet the changing landscape of real estate, economic cycles, political and legislative change required for orientating incentives to meet future carbon challenges and targets.

Whatever the rules, our experience, track record and favourable reputation with HMRC means Banking Tax & Finance is best placed to create long term value and substantial tax reliefs for all our clients, both large and small.

We are proud to work with blue chip multi-nationals, large retailers, hotel chains, healthcare providers, industrial companies and 'smaller' owner occupiers like doctors and dentists. Many of the large and medium sized firms of accountants and surveyors, have the confidence and trust to refer us directly to their own clients who we act for, helping them achieve their real estate business objectives.

We understand that reducing tax risk is an increasingly important area for our clients. Our processes and systems allow us to maximise benefits, whilst effectively managing this tax risk. Our systems are widely accredited, contributing to our 'low risk' status with HMRC as a provider of capital allowances, meaning tax reliefs with confidence and figures you can rely on.

We are able to integrate and use tax incentives to mitigate the capital cost of reducing carbon omissions and creating energy efficient buildings right from inception and throughout the life span of a building, in other words achieving tax effective solutions, whatever the challenge.

Our international capability and knowledge of tax depreciation regimes world wide, enables us to provide local solutions, globally.



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**LOW RISK
BASED
APPROACH**



Land remediation

In 2001, a 150% tax credit was introduced for companies incurring expenditure on land remediation; this also includes buildings containing materials such as asbestos, which are hazardous to health.

Surprisingly, although businesses can claim valuable tax relief from corporation tax when they clean-up contaminated land, many fail to take advantage of the valuable tax savings available, largely due to the complexities involved.

As with all forms of tax relief, careful planning and an in-depth knowledge of the criteria applied by HMRC is necessary to ensure a successful claim. Our land development team of specialists are experienced in defining the extent of eligible expenditure, ensuring tax relief is maximised.

VAT on construction and property

We have the ability to provide the full range of advice on any issue relating to VAT.

The VAT legislation relating to construction projects and property transactions has evolved into a highly complex system and a sound knowledge of the interaction and impact of numerous rules is required to avoid the risk of costly errors. The law has been subject to many changes made by HMRC to counter avoidance and must be interpreted in the light of the decisions of the VAT Tribunal and the European Court of Justice.

Residential and some charitable buildings benefit from zero-rating and a reduced rate can apply to certain renovation and conversion projects. The supply of other construction services will generally be standard rated.

Commercial property can be exempt from VAT, or standard rated. The decision to opt to tax the property will enable a vendor or landlord to recover input VAT. In other circumstances, it is the use, or intended use of the property that will determine the extent to which input VAT may be reclaimed.

Grants

Public grants can provide a vital source of additional funding for a capital project such as regeneration, public realm, heritage and sport. Companies of all sizes often find the grant funding maze too complex to navigate and as such, these funds are often overlooked. This is largely because it is hard to know what funding is relevant for a proposed development and where to begin looking for this money.

Identifying and maximising the right funding for a project is a challenge and the wide variety of choice can be confusing, with different initiatives coming from a range of public bodies at any one time. If you are seeking grant funding, it is advisable to get an expert to give you some direction and advise you of the opportunities relevant to your project. At Davis Langdon our grants team is up to date with the range of funding programmes and providers and has a proven track record in navigating the funding maze quickly and efficiently to successfully secure the maximum public funding.

Energy efficiency, carbon reduction commitment and energy performance certificates

Most CRC affected bodies are likely to begin by adopting more sustainable operational models for their activities and making changes towards achieving the Carbon Trust Standard for their buildings.

Further improvement will tend towards real estate improvements:

- Enhancing the savings within operational use.
- Buildings management controls and disciplines.
- The condition of buildings and their systems.

Larger property owners soon to be affected by CRC legislation will seek a strategy to mitigate the impact of this legislation. A planned approach to tiered improvements over time can be developed to improve performance and help limit the potential cost of carbon allowances.

While Davis Langdon are pleased to quote for the provision of certification services, either for individual projects, or for portfolios; our key service is consultancy based, in advising property owners and occupiers on optimisation of asset ratings.

Where an EPC or DEC assessment exists, we offer the following:

- Review of the certificate and its provenance.
- Appraisal of the assessor's advisory report.
- Or, if no certifications exist, an initial assessment.
- Identification of quick wins in base load energy wastage.
- Scoping of potential improvements.
- EPC modelling of alternatives.
- Consideration of tax relief opportunities.
- Energy conscious planned maintenance.
- Refurbishment to achieve optimal EPC asset rating.

Banking and Finance

Technical advisory and due diligence

Davis Langdon has exceptional experience in advising banks, investors and insurers alike in respect of identifying and managing construction and other development risks.

Our expertise is applied to both the public and private sector with the following services provided:

- Technical due diligence audits.
- Pre-acquisition surveys.
- Mergers and acquisitions due diligence.
- Project monitoring.
- Secondary market investment due diligence.
- Project recovery/workout.
- Insolvency practitioner support.
- Surety/bond advice.
- Development consultancy and finance advice.
- Supply chain management.

Our approach is to work with borrowers and lenders alike, identifying and prioritising risks; proposing suitable mitigants and shaping our monitoring process to help eliminate risk.

Construction Business Recovery

Insolvency Practitioner (IP) Support

Providing specialist construction valuation and recovery expertise to insolvency practitioners. The CBR IP Support Team operates from six offices around the UK including London, Leeds, Glasgow, Manchester, Birmingham and Bristol.

This equips our specialist IP Support team to work in support of IP's on larger, more complex appointments including national and international contracting organisations.

Project Audit/Recovery

Providing due diligence and recovery advice to banks, insolvency practitioners and other financial institutions working with distressed construction projects or businesses. The CBR Project Audit/ Recovery team specialise in working with funders exposed to distressed projects to provide technical construction project audit services, coupled with strategic recovery advice.

Surety Advisory Unit

Specialist advice on construction bonds. The CBR Surety Advisory Unit specialises in providing technical and strategic advice with respect to bonds. The team has particular expertise in acting for the Surety Industry, advising Performance Guarantee Bond providers on liabilities with respect to claims made against performance bonds - usually triggered by the insolvency of the bonded contractor.

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