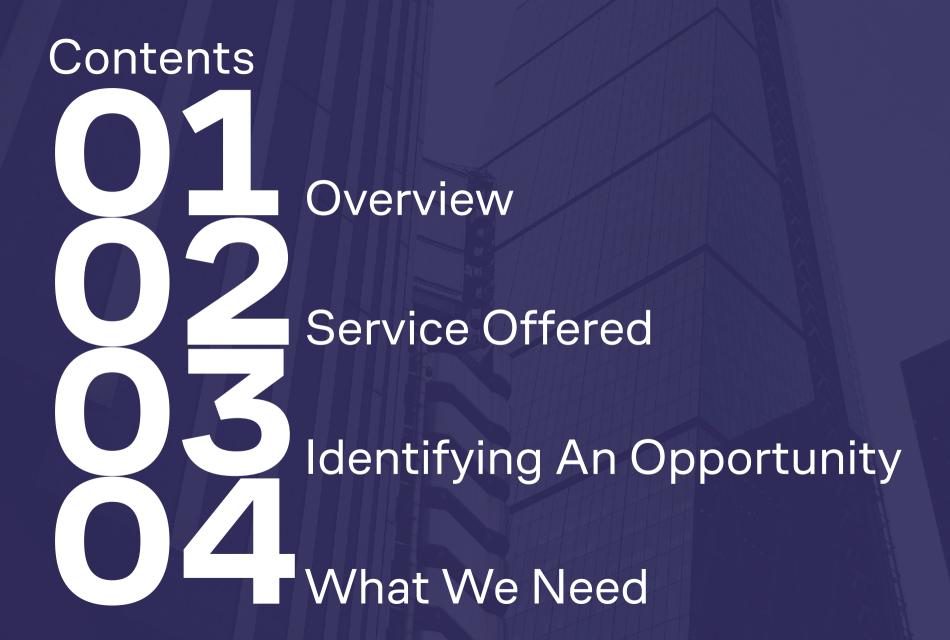
INOFUND

Capital Allowances

Misunderstood, underestimated and often lost forever



Overview

What is Capital Allowances?

Tax relief allowing businesses and investors who pay tax in the UK, to deduct from their taxable profit, the value of their qualifying expenditure that is capital in nature such equipment and buildings.

Capital expenditure relating to buildings or industrial/ engineering plant are typically where we can add value.

Examples of qualifying expenditure include, mechanical and electrical systems, furniture, IT systems, and in some cases, walls, floors, etc.

Key types include:

- → Plant & Machinery Allowances (PMA)
- \rightarrow Structures and Buildings Allowances (SBA)
- \rightarrow Research and Development Allowances (RDA)





Changes in Legislation

At Autumn Statement 2023, the government announced that full expensing would be made permanent, along with the 50% first-year allowance for special rate assets.

Annual Investment Allowances - £1m permanently since April 2023.

Freeports (100% FYA + 10% SBAs) operative date between Oct 2021 to Sept 2026.

130% super-deduction is still available for capex between April 2021 and April 2023.

Undervalued

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Client had spent \pounds 467,000.00 on improvements to their office and initially did not have an appetite to claim prior to selling the property due to perceived disruption, lack of monetary value and less than ideal records of the refurb.

InnoFund identified £116,750.00 they were about to give away.

Average yield = 25%



Service Offered

How we can help

- \rightarrow Whole development lifecycle CA advice.
- \rightarrow Unrivalled surveying expertise.
- \rightarrow Confirm entitlement to claim and reduce risk of HMRC enquiry.
- \rightarrow Optimise claim with other tax reliefs as well as improve cash flow with retrospective claim.
- \rightarrow Without detailed cost data, we can price up relevant assets that qualify.

New construction

Refurbishment works

Fit out works

Buying buildings



Service approach and methodology

to claim



Site visit Surveying the assets where neccessary **Detailed analysis** Identifying qualifying expenditures

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Reporting Preparing and issuing claim report Filing support Assisting with filing and post filing information

Claim time scale // 4-6 weeks (depending on how responsive client is to our queries)

Client involvement // 2-5 hours

Why us?

- \rightarrow Claim filing support
- \rightarrow Claim defence support
- \rightarrow Site survey visit
- \rightarrow Unrivaled multidisciplinary skillset

//Profile

Mak Okay-Ikenegbu

Head of Capital Allowances

Experience

Experienced chartered building engineer, construction manager and surveyor acquired over the past 15 years of maximising value on capital projects in the UK and overseas.

Experience leading national capital allowances and land remediation relief business. Sitting at the helm of national surveying and construction group involved in helping clients save money through fiscal incentives such as structures and building allowances, as well as energy and water efficient relief on building installations within the Energy Technology List. This included ensuring that appropriate methodology and approaches for measuring, quantifying and costing construction works as well as valuing land are applied.

Previously Head of Capital Allowances at the Europe and UKs largest R&D Tax & Capital Allowance boutique helping 100s of businesses with their capital allowances and land remediation relief business where he managed the business line account for two regional offices. This included managing a portfolio of large and small sized businesses, investing in commercial properties in leisure, student accommodation, hospitality, manufacturing, healthcare, retail, education, agriculture amongst others.

Experience as project manager delivering building and infrastructure projects of multi-million pound value within the UK and overseas

Professional and Academic Qualifications

Fellow, Chartered Institute of Building (CIOB) Chartered Construction Manager Fellow, Chartered Association of Building Engineers (CABE) Chartered Building Engineer Associate, Royal Institution of Chartered Surveyors PhD, Surveying (in view) MSc, Architectural Engineering BSc, Architecture

Expertise

- Capital Allowances including R&D Allowances and Structures and Buildings Allowances; and Land Remediation Relief
- Unique specialist experience with a multidisciplinary background in surveying, engineering, architecture, and construction management.
- Combined technical and commercial skillset across diverse sectors; and experience dealing with HMRC enquiries
- Quantification and reconstruction of construction spend where required in identifying tax savings.

RICS





Identifying An Opportunity

Estimating allowances

How much of their spend could businesses get back?*

New construction → 20-50% may qualify Some retail and industrial units may be lower at 15% and 10% respectively

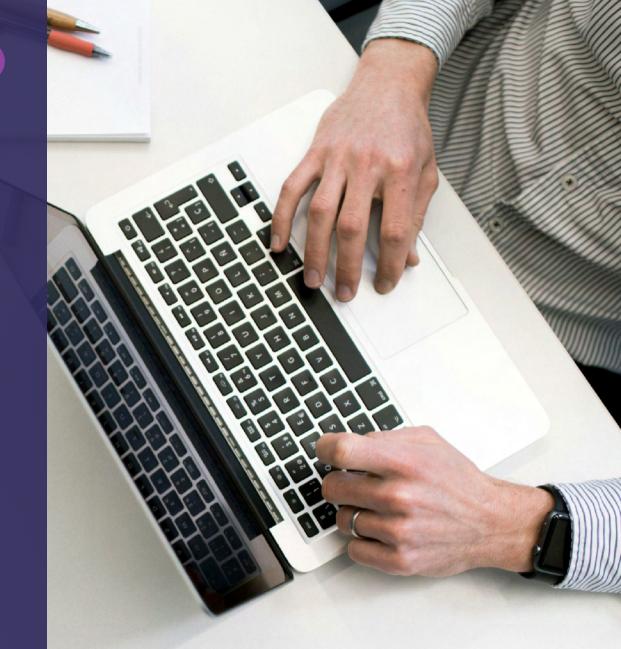
Refurbishment → 25-50% may qualify

Fit-out → 50-80% may qualify

Property acquisition
→ Up to 30% of acquisition price may qualify

Additional tax relief may also be available through the structures and buildings allowances (SBA)

*Above estimated ranges are based on rule of thumb



National Hotel Branch

Originally claimed £20,000.00 in Capital Allowances on a £1,000,000.00 refurbishment cost through mid-tier accountancy practice

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InnoFund reviewed their claim and surveyed the building to identify any missed opportunities

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InnoFund identified £670,000.00 of expenditure overlooked

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InnoFund increased claim from 2% to 67%

Grain Storage

Engaged a competitor capital allowances specialist who correctly identified the Grain Storage as plant and machinery

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InnoFund engaged for a second opinion and was able to widen the scope of the claim to include the structure underneath the grain storage plant

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InnoFund Increased claim from £15,000.00 to £106,000.00



Student Accomodation Provider

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Student accommodation refurbishment with TCV of 29m including 22m in contractors cost

Analysed the bill of quantities and surveyed 356 dwellings with mix use, due to recent changes in capital allowances dwellings were no longer available to claim under

£4.2m identified with tax savings of £749,862.12

Care Home

Client spent £480,000.00 refurbishing a residential site for new use as a care home

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Accountant claimed £30,000.00 originally

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InnoFund successfully increased claim from £30,000.00 to £250,000.00

Purchase Of Mixed Commercial And Residential High Street Property

Acquisition of £1m investment property comprising of ground commercial units and upper floor apartments

Detailed analysis including site survey visit to assess the various components of the asset

£150,000.00 of allowances relating to the commercial unit identified, with cash tax savings of £28,000.00

What We Need From You

Information required

- Nature of the prospect's business
- Type of expenditure or claim
- Value of the capex incurred
- Type of property or how it is used
- Date of expenditure
- Any grant, or capital contribution from a third party?

Documents required

General

- Accounts
- Tax computation
- Fixed asset register

Building acquisition expenditure

- Land registry transfer document or sale and purchase agreement
- CPSE1





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R&D Tax Claims



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Land Remediation & Capital Allowances









