



## **Maximising the potential from capital allowances**

Capital allowances continue to provide a very valuable and flexible tool in managing the tax position for businesses. With the proposed reductions in the rates from April 2012 and an increasingly aggressive approach from HM Revenue & Customs, a proactive stance is vital if businesses are to utilise capital allowances effectively and efficiently.

Despite the negative growth figures for the 4<sup>th</sup> quarter of 2010, indicators show that many businesses do have cash on their balance sheets and that this cash is likely to be invested in the business as growth is predicted to pick up during 2011.

Where this investment translates into expenditure on fixed assets, then it is then key that businesses maximise the available tax relief through capital allowances. With the level of the Annual Investment Allowance (AIA) set to fall to £25,000 (currently £100,000) and rates of writing-down allowances (WDA) to fall to 18% and 8% (currently 20% and 10%) from April 2012, now is the time to ensure that levels of capital allowances are not only maximised but also used as effectively and efficiently as possible.

When considering the capital allowances position on any new investment, businesses should also not lose sight of the fact that it is likely that for historic expenditure, capital allowances, especially those on property related expenditure, may not have been maximised. A review of this expenditure can give rise to potentially significant additional tax savings and even cash tax repayments where circumstances allow.



## Here to help

We are able to offer advice, not only on planned new expenditure, but also historic reviews of prior expenditure and the results can be very beneficial.

A free, no obligation review of a the capital allowances position can be provided to give businesses a fuller understanding of its potential for tax relief which given HMRC's increasingly aggressive approach, is an opportunity that should not be passed up.

We manage the process from start to finish – liaising with the business and their advisors to obtain the necessary information, preparing the necessary reports identifying the eligible expenditure and resolving any potential HMRC enquiries. All of this is carried on in conjunction with the business and their advisors to ensure effective and efficient delivery. A flexible approach to fees with either value-based or fixed fee arrangements on offer which guarantee to be competitive and value for money at all times

## Why Dunham Consulting?

Dunham Consulting is able to offer a wealth of experience across all industry sectors backed up with qualifications in both taxation and surveying. Extensive experience in preparing and agreeing claims with HMRC and the Valuation Office Agency ensures that businesses are best placed to take full advantage of the tax relief they are due.

For further advice on how your business could benefit please contact:

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