

Welcome to the spring edition of our newsletter to inform you of our recent business developments and all the latest industry news. With a very successful 2008 behind us Roche Associates continue to produce successful claims for our clients, saving £millions through existing and additional key client contacts and strong relationships with lawyers, financial houses, environmentalists, surveyors and accountants.

>> Roche Business News <<

Our new website has launched.

New Web and Branding

We have redesigned our website and updated our strong existing brand to reflect our growing business and client requirements. The website has been formulated to provide much simpler, more informative and faster access to all your property tax needs – please feel free to take a look at www.rocheassociates.co.uk

New Joint Venture

We recently announced a formal joint venture with Carter Backer Winter, a prominent London accountant with a strong property client base. CBW Roche has been established to service CBW clients from the entire property tax spectrum, including capital allowances, land remediation relief, VAT, tax compliance, stamp duty, etc.

Presenting on Environmental Risk Management and Integrated Solutions

We joined Golder Associates, Travers Smith and a Keynote Speaker from Barclays Risk amongst others as part of a panel of speakers in December 2008 to speak on the benefits of applying an integrated environmental management approach to support investment funds with entry and exit strategies in times of uncertainty.

We introduced the much ignored Land Remediation Tax Relief scheme and demonstrated how it could impact on environmental issues. We discussed the need for caution and planning when acquiring land and property to avoid deemed subsidies, alternative tax strategies to consider as a seller of property and measures on how to include financial savings into environmental management strategies.

The talk was very warmly received with delegates expressing a great interest in all topics resulting in a further seminar being commissioned for later this year.

>> Technical Developments <<

Capital Allowances Fixtures Redefined

The government last year enacted changes to the Capital Allowances legislation that, despite being fully expected, still shook the claim process to its very foundations.

A new category of expenditure 'Integral Features' was introduced at the low rate of 10% which includes many large value building fixture assets, i.e. electrical systems (including lighting), cold water systems, space heating systems, lifts and some energy saving structures.

Whilst the old 'proving your claim' system remains in place for all other undescribed assets this new category introduces assets which are specifically described as qualifying, even though the simple and short definitions are not fully defined themselves!

There were several other changes last year including:

- the general Plant & Machinery Allowances pool rate reduction from 25% pa to 20%;
- a new 100% Annual Investment Allowance available to all businesses for the first £50,000 of investment into qualifying plant & machinery (on the back of the abolition of First Year Allowances);
- an increase in the rate of relief on Long Life Assets (those assets with a useful economic life of 25 years or more) from 6% to 10%;
- the widening of the Enhanced Capital Allowances scheme to provide enhanced relief for the use of additional energy efficient and water efficient assets and a payable tax credit for loss making companies;
- an increase in the rate of relief available to large companies incurring qualifying R&D expenditure from 125% to 130% and for SMEs from 150% to 175%.



Property acquisitions post April 08 present new savings potential.

OPPORTUNITY

The biggest single opportunity lies in the newly described categories of integral features and specifically general power, lighting and cold water installations. As these were previously non qualifying assets all properties acquired forward of April 2008 can be reviewed for new claims which could amount to some 10% of the purchase price.

Land Remediation Tax Relief (LRTR) to be Extended and Refocused

Following the strategic Urban White Paper review of LRTR some 3 years ago and the ensuing consultations we are drawing ever closer to the enactment of some key changes to the current scheme in this Spring's coming Budget. We anticipate not only some valuable specific additions to heads of claim but also procedural and process improvements which should benefit all future claimants.

HM Revenue & Customs have sought to refocus this incentivised tax relief to make it much more valuable, user friendly and to enhance its public profile to increase its take up. Several key areas have been considered with draft legislation published in a recent technical note prior to enactment in the coming weeks.

The obvious big news is the addition of qualifying expenditure on Long Term Derelict Land sites and the painfully drawn out acceptance that remediating Japanese Knotweed now qualifies for this tax relief. Behind these two, however, in the small print as it were, are a raft of other measures, some extremely positive and to be welcomed. Others, however, are not so positive like the clauses proposed to deal with one of the biggest complaints about the scheme, the provision of claim certainty, which may actually be quite restricting on some future claimants.



Clearing Japanese Knotweed now qualifies for tax relief.

OPPORTUNITY

The acceptance that Japanese Knotweed qualifies for tax relief by HM Revenue & Customs has paved the way for all existing claims and new claims relating to current years to be made and agreed for the full cost of remediating this invasive contaminant, be it on on-site treatment or disposal to a landfill site; As of April 2009 only bio remediation of Knotweed will be allowable.

Caselaw Update

The most significant case of this past year reached the House of Lords in July 08. **Maco Doors** argued that they were entitled to Industrial Buildings Allowances (IBAs) on a new warehouse built to store door locks and hardware purchased from its parent company for onward sale to manufacturers and fabricators. Having gone all the way through to the House of Lords, the case was successfully argued by HMRC. Their Lordships agreed by majority that although Maco's trade did involve storage of goods, it was not a trade on its own account but merely an activity carried out in the course of their trade of buying and selling goods at a profit. IBAs were denied.

>> Challenging Times <<

Of course, the year ahead will provide us all with some very challenging times and most will be looking to cut costs whilst maintaining a healthy order book to sustain profitable margins. One indirect business tool and much overlooked solution would be to look retrospectively at unclaimed tax savings which, put simply, provides cash back from HM Revenue & Customs and goes straight to the company bottom line.

When times are good and profits are relatively easier to come by, tax does tend to get forgotten by all but the fastidious or those in the 'I have an accountant for that' camp; with the best will in the world and with all due respect to the most diligent of accountants, tax reliefs such as capital allowances and land remediation relief are very specialist subjects and demand specialist input. Many accountants shield their clients from specialist involvement through either a lack of understanding or embarrassment at not being able to do what we do; however those accountants with their clients' best interest at heart recognise dual specialist surveying and tax knowledge and experience, and welcome our input.

If you own one or more properties and are unsure of your position Contact Us for a no obligation assessment of your property tax relief. In 8 out of 10 cases we identify additional significant tax relief savings.

How does it work?

Roche Associates have identified up to £400,000 worth of savings for us

Regional Property Investment Business

A property investment business based in the midlands had acquired several properties over 3-4 years. Through an investment adviser we were introduced to the client and as the company, in their words 'had nothing to lose and everything to gain', we were engaged to carry out a free portfolio tax assessment. Despite the client already working with a top 10 accountant and tax adviser we identified up to £400,000 of savings from retrospective reviews of the property acquired and have been retained to undertake all future property tax advice work going forward.

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