



Act now on a fixtures review to avoid repenting later

For immediate release

If you are a practice-owner, you should be aware of changes to the Capital Allowances Act which could affect you if you sell your practice. This is the advice of NASDAL member Nick Hancock of specialist dental accountants Albert Goodman who is recommending that all practice owners who have not already done so should undertake a review of fixtures.

“You could benefit from a tax refund now as well as laying important groundwork in advance of selling your practice. The earlier one of these claims is done the better because as well as a potential tax refund, it provides additional capital allowances going forward.”

Until now, he explained, the ‘qualifying fixtures’ have normally been left as part of the freehold acquisition price. For a commercial property being sold after 5 April 2014, one of these reviews must be undertaken as part of the sales process. After that date, the vendor and the purchaser will need to specifically agree the sales price of those fixtures, usually by making a joint election under Section 198 of the CAA 2001 to achieve the capital allowance position.

Nick said: “ Given these reviews will be required anyway, it is best to deal with them now so that not only do you benefit from a tax refund now, but you also avoid the hassle of leaving this as part of any sale process.”

More importantly, failure to carry out a fixtures review could drive down the value of the practice. Nick explained: “If qualifying assets are not identified with a Section 198 election being agreed, then effectively the buyer and all subsequent owners will have no opportunity to make a capital allowance claim

on qualifying fixtures going forward. This could well have a detrimental effect on the sale proceeds figure when you try and sell your property."

For further information, please contact specialist dental accountant Nick Hancock of Albert Goodman, a member of the National Association of Specialist Dental Accountants and Lawyers nick.hancock@albertgoodman.co.uk or to look for an accountant in your area, go to www.nasdal.org.uk