

Capital Allowances Case Study

Services on behalf of Lifestyle Europe Limited Historical Capital Expenditure Review



- Lifestyle Europe Ltd had spent circa £3.3m on fixed asset additions to their show rooms in the years 2005 to 2012. £2.5m had been identified as plant and machinery and capital allowances claimed. The balance of circa £800,00 had not had any capital allowances claimed.
- Savills Capital Allowances Consultancy undertook a forensic capital expenditure review to identify areas where additional allowances may be identified.
- This involved reviewing historical fixed asset registers, statutory accounts and tax computations and comparing to invoices and buildings contracts retrieved directly from Lifestyles archive records.
- During this period 2 new dealerships were created out of existing buildings and a further dealership underwent a refurbishment following a change in branding. Savills carried out detailed site surveys of all sites to identified plant and machinery assets not readily identifiable from the historical records.
- An additional £360,000 of capital allowance and capitalised revenue expenditure was identified flowing through to an additional tax saving of circa £72,000 over time.

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