



ARE YOU SITTING ON A TAX GOLDMINE?

Aubrey Calderwood talks about some generous but little-known property tax allowances

If you have invested in commercial property or furnished holiday lets, you could be sitting on a goldmine of overpaid tax or unclaimed tax relief. Investment in certain types of property attracts generous, but little known, tax allowances which can significantly reduce the amount of tax you have to pay. If you haven't fully claimed these tax allowances in the past you could be eligible for a significant payout from HMRC or a reduction in your future tax bill.

The tax rules surrounding these so-called Capital Allowances are changing in 2012 so UK property owners need to act fast if they want to get the money they are owed back from the tax authorities. If you bought commercial property in previous years and did not claim the maximum capital allowances at the time, you need to file a claim without delay before the rules change and the tax overpaid is lost forever.

To demonstrate how valuable these tax allowances are, let's consider the example of a property investor who bought an office block in central London 10 years ago for £2.5m. The capital allowances on fixtures within the building could be worth as much as 45% of the purchase price, which means the property owner could have missed out on more than £1,125,000 of allowances. For a 40% taxpayer, this could equate to total overpaid tax of nearly £450,000.

You might be wondering why you have missed out on these tax allowances. Many property investors pay too much tax because they assume their accountant will claim these allowances on their behalf.

Our experience indicates that very few accountants have the property expertise required to claim the maximum. So even if an accountant has claimed some capital allowances, it is very likely property owners are entitled to considerably more and may be due a significant rebate or reduction in future liabilities.

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The lowdown on recruitment

Marie-Clara Thureux, executive consultant for ThatcherMacKenzie, a recruitment firm with offices in Jersey, Geneva and Zurich, gives her top tips on executive recruitment for both clients and candidates

Know your market

Whether you are a company looking to recruit or a candidate looking for a position it is important to know the market you are operating in. I am frequently asked by both my candidates and clients 'how are things at the moment?' The market directly affects whether companies recruit and whether candidates look to move. The amount of movement in the market has an impact on recruitment trends. As a successful recruiter, I make it a primary part of my job to know what is going on and I expect both my candidates and clients to utilise me and the knowledge I have in that area.

Engage a recruiter that understands your business

If you are looking to recruit at a senior level, there are some basics you will need from a candidate before you even look at the skill set presented. At an executive level you will be looking for someone who shares the culture and values of the business. For instance, you may want a director with strong leadership skills, the kind of information you cannot get from a CV. A good recruiter will know your business and the kind of candidate that will fit your company.

Increase your recruitment pool

It is a fact that only 30% of available positions are advertised in local media or on job boards. It is also true that the very best candidates in the market are normally already employed and not unhappy. Whether you are looking for the perfect career move or the perfect candidate, it is safe to assume your consultant will see more of both on a day-to-day basis. With a strong network of both candidates and clients, a successful recruitment strategy is based on the creation of placements and the sourcing of candidates. Your recruiter will find the best possibilities in the market, not just on the market.

Use industry contacts

There is no shame in asking a friend or for that matter your best client if there are any opportunities in their company. Alternatively, if you're an employer ask if they know anyone (not from their company!) who may fit the bill for the role you are struggling to fill. Executive recruitment is a business primarily based on word of mouth. As long as your contact(s) are operating discreetly, you can use their knowledge to source the best openings and the best people.

Be discreet

This may sound like a given but surprisingly it is all too common for people to make the mistake of thinking it is best if everyone knows they are on the market, as it can drum up more opportunities. Actually it is often quite the opposite, as employers commonly overlook that which is known to them but not brought directly to their attention. Your recruiter will be able to make a discreet approach, normally on a no-names basis.

Take advice

A good and successful recruitment consultant should be more than a CV 'matcher'. For a candidate, your consultant will understand what drives you, where your strengths are and how best to put them in to practise. They will know more than what is on your CV and as such will be your strongest source when it comes to finding the next step in your career. From a client perspective, your consultant should have the knowledge to advise you on all parts of the process and will have a deep relationship with not only you but their candidates. With their knowledge, the recruitment process becomes less painful, more honest and more successful.

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Do your research

As a senior professional who has been in the business for many years, you may feel that you know a considerable amount about the businesses out there, but in an ever-changing market where companies are re-structuring, re-deploying and re-branding, it is important to keep on top of the changes before you decide which companies you may want to work for. Draw on your recruiter's expertise. They will have in-depth and up-to-date knowledge of the clients they work with which can be invaluable to you.

www.thatchermackenzie.com

