

Hotel and Leisure Lawyers

TOP FIVE TIPS – Corporate Tax

TIP 1 Are capital allowances being claimed by your business in its tax return? If so, it is crucial that you understand the changes made to the capital allowances tax rules that became effective in April 2008. This is because these changes may well have an adverse impact on the cash position of your business. This is especially the case where you have spent substantial amounts on building and/or refurbishment costs. It is also important where the availability of capital allowances is significant in calculating projected profits.

TIP 2 You should therefore conduct a review of the capital allowances position of your business. From this review, you should be able to determine whether the changes to the capital allowance rules will have a material impact on the cash position of your business. This may also have a bearing on the overall funding requirements of your business.

TIP 3 Can anything be done to protect your capital allowances position under the new tax rules? Sensible and feasible tax planning may help to preserve the cash position of your business. Please feel free to speak to us.

TIP 4 What about your plans for new building, refurbishment and/or replacement of equipment and fixtures? Again, sensible tax planning should help in enhancing cash flows and returns. Do speak to us!

TIP 5 In general, revisit cash flow/profit projections! Changes to the capital allowances tax rules, to the rates of corporation tax and to the overall economic climate may require a revision of expectations.

The Corporate Tax Top Five Tips are an extract from Robin Dabydeen's talk *Developments don't need to be taxing* given on 11 September 2008 at Wedlake Bell's seminar on hotel development. For more information on the subject or on the seminar, please contact Robin | 020 7395 3008 | rdabydeen@wedlakebell.com.