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# KEY NOTES

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## For Coffee Shop Owners



Cafe and coffee shop owners often incur significant capital expenditure in opening their premises. In generating new customers, the immediate priorities are often getting the product, setting, atmosphere, advertising and supply chain correct. In the desire to generate income from a new business, valuable property tax relief is often forgotten about and left unclaimed.

Where the property is either leased or purchased the property may contain some fixtures and fittings, however it is common that the new owner replaces these as part of the fit out. Tax relief in the form of Capital Allowances is available to businesses incurring capital expenditure on purchasing or fitting out their premises.

Your accountant will have a great deal of experience of claiming capital allowances on items which are within the fixed asset register. However, where a property is purchased, refurbished or fitted out, a specialist survey is often required in order to identify and correctly value tax deductible items which are inherent in the property or

**Access to specialist property tax advice is vital for small business considering the cash flow benefits that it brings**

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contained within your contractor's tender document. We work together with your accountant to help you maximise tax relief which you are entitled to.

A number of items normally be fitted to a cafe or coffee shop are eligible for relief. Typical items include: blinds, catering equipment, tables, chairs, cash desks, sinks, sanitary fittings, hot water boilers, signage, fire alarms, lighting, and heating.

Small businesses may be entitled to benefit from a number of property tax reliefs in connection with the purchase, fit out and maintenance of their premises, including:

- 8/18% Plant and Machinery Allowances
- 100% Business Premises Renovation Allowance
- 100% Enhanced Capital Allowances
- 100% Repairs and Maintenance
- 150% Land Remediation Relief (for companies)

The government also provides an Annual Investment Allowance, which gives 100% relief for the first £200,000 of qualifying expenditure.



**“We do not undertake any appointment where we cannot add value to that business.”**

**ALAN CADDEN**

At Cavetta Consulting our directors have considerable experience advising businesses, property investors, landlords and occupiers on all capital allowances implications that impact their business.

We offer a no obligation review of completed or potential schemes in order to determine whether a viable claim for property tax reliefs can be claimed. Our fee structure is tailored to take account of the tax status of the individual or business and is designed to add value to your business.

If you would like to further information, please contact either Lois or Alan. Alternatively you can email us at [info@cavettaconsulting.com](mailto:info@cavettaconsulting.com).

Where a business is able to fully utilise its Annual Investment Allowance, qualifying expenditure of £10,000 on fit out costs could translate into a £2,000 cash saving for basic rate personal or corporate taxpayer or £4,000 for a higher rate personal taxpayer (assuming that no personal or other allowances are available).

Claiming Capital Allowances also lowers risk for lenders as the savings generated means that there is more cash available to repay and loans that were taken by the business.

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**Edinburgh Office**  
Lois Stirling  
0131 610 0056



**Glasgow Office**  
Alan Cadden  
0141 432 0056