

KEY NOTES

For Publicans



Publicans often incur significant capital expenditure when they purchase a new property or enter into a lease of a licensed premises. The immediate priorities are often to keep the pub's existing customers happy, whilst at the same time creating a unique, atmosphere, to attract new ones. In the desire to generate income and attract and maintain customers, valuable property tax relief is often forgotten about and left unclaimed.

Whether the property leased or purchased, the property may contain some fixtures and fittings that will attract capital allowances. However, it is common that the new owner or licensee may replace items these as part of the fit out. Again, tax relief in the form of capital allowances is available to businesses incurring capital expenditure on fitting out their premises.

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

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 the tax deductible items which are inherent in the property or 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 that are normally fitted to a licensed premises may be eligible for relief. Typical items include: blinds, catering equipment, tables, seating, cash desks, sinks, sanitary fittings, hot water boilers, signage, fire alarms, lighting and heating.

Publicans 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.

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 the risk for lenders as the savings generated means that there can be more cash available to repay loans that were taken by the business.

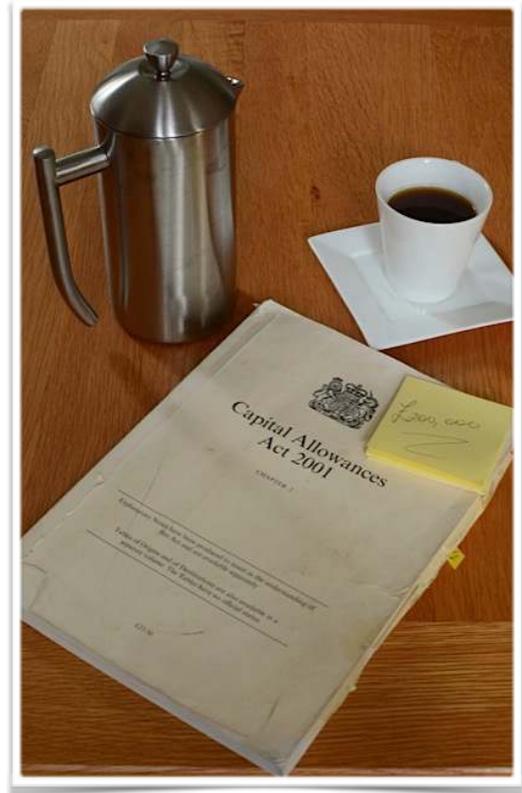
“We do not undertake any appointment where we cannot add value to that business.”

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.

ALAN CADDEN

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



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