

# KEY NOTES

## For gym and fitness businesses



The gym and fitness industry has rapidly expanded over the last 10 years. Gyms are not only contained in purpose built facilities, but also now common place in retail parks and city centres. In addition, many fitness studios also have catering and retail facilities. The initial costs of setting up a gym, fitness studio or leisure facility are always high. The more facilities the gym has to offer, the higher the cost.

Businesses not only incur significant amount of capital expenditure on gym and fitness equipment, but in addition their initial outlays will also include lighting, signage, air conditioning and special sprung floors. In addition, the business may also have swimming, sauna and steam room facilities and in some instances catering all of which require significant investment.

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 some of these fixtures as part of the fit out. Like any new business, fitness businesses may be entitled to benefit

**Access to specialist property tax advice is vital for gym and other fitness businesses considering the cash flow benefits that it brings**

from tax savings in the form of capital allowances when they purchase and fit 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. They will typically gym equipment, electronic points of sale and catering equipment. 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 purchased property or contained within your contractor's cost documentation.

Çavetta Consulting work together with your accountant to help you maximise the tax relief which you are entitled to.

Owner of a fitness related business 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)



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

**ALAN CADDEN**

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).

At Çavetta 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).

**In the desire to generate income from a new business, valuable property tax relief is often forgotten about and left unclaimed**



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