Key Actions
Specialist Buildings

CAVETTA CONSULTING
Unlocking Capital Allowances

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CREMATORIA AND FUNERAL HOMES

UNLOCKING PROPERTY TAX – TAX RELIEF FOR CREMATORIA AND FUNERAL HOMES

AS WELL AS, CREMATORIA NEEDING TO BE LOCATED ON SITES THAT MEET SPECIFIC CRITERIA, STRICT REGULATION IS ALSO IMPOSED BY THE CREMATION SOCIETY OF GREAT BRITAIN REGARDING THE BUILDING ITSELF. EVERYTHING FROM THE PORTE COCHÈRE TO THE SERVICE YARD MUST ADHERE TO STRICT GUIDELINES. THEREFORE, MEETING THESE REQUIREMENTS, WHETHER IT IS A NEW BUILD OR WITHIN AN EXISTING PROPERTY, CAN PUT A STRAIN ON BUDGETS.

However, claiming capital allowances allows you to deduct the cost of plant and machinery from your profits, which can improve the cash flow of your business. Our article highlights some of the areas you can consider to maximise a claim and what the potential level of allowances may be. In order to maximise a capital allowances claim on your commercial property an understanding of how buildings function is essential.

Given the nature of this property, the need for the setting has to be right, the building has to feel comfortable and the layout has to be carefully planned can all put pressure on capital budgets. Whilst these properties are built specifically to meet the needs of the end user, there is a growing trend for these facilities to be provided by the private sector who gain not only the benefit of rental income but also the benefit of Capital Allowances in relation to the fixtures of the property.

Typically, we find 30-45% of our client's capital expenditure qualifies for a higher rate of capital allowances, depending on size and specification. However, to maximise your allowances there are a number of important considerations.

KNOWING YOUR BUILDING

What Makes a Successful Claim

SETTING

Given the sensitive nature of this property, consideration will of course be given to the setting of the property. Some properties may also have areas such as gardens of remembrance which may include items to provide a certain ambience. In addition, accessibility and safety of the general public will be incorporated into the design. So where you consider all these requirements along with the tax implications early, there may be scope to claim a higher rate of tax relief on the expenditure incurred.

MECHANICAL AND ELECTRICAL SYSTEMS

Crematoria and funeral parlours require mechanical and electrical installations that help to provide a suitable environment for services to be conducted.
Therefore, sustainability, may also be a major requirement of your development brief, and by planning expenditure can ensure these assets are claimed within the Allowances (AIA) limit giving 100% relief in the year rather than at 6% allowances when claimed outside the AIA.

ACCOUSTICS

In addition to the layout of the building, the use and the user experience will mean consideration of acoustic properties of the building. Where you consider these requirements with the tax implications early, there may be scope to claim tax relief at a higher rate on the expenditure incurred.

MULTIPLE FUNCTIONS

Crematoria and funeral parlours may perform a number of functions, firstly they are places for service and reflection. However, the space must also be planned to allow for the preparation of the deceased, the housing of the businesses transport and the administration of the business. To do this may include bespoke features and these features can attract tax relief.

CONSTRUCTING A NEW BUILDING

Structures and Buildings Allowances of 3% is now available meaning that a significant proportion of the building work is now tax deductible.

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WHY CAVETTA CONSULTING

In order to maximise tax relief within specialist properties employing a capital allowances adviser can prove prudent for you.

Traditionally, tax relief is perceived as the role of an accountant. However, like many elements of accountancy, tax has a number of sub-specialisms, including capital allowances. Therefore, your accountant may not have the time or resources to manage the expectation that capital allowances is only a tax issue.

In reality, claiming capital allowances involves resolving tax, finance, legal, property, construction and valuation issues. A capital allowances adviser has a different range of knowledge and skills from your accountant. This enables us to provide assistance to you in negotiations with HM Revenue and Customs; particularly when they are questioning valuation techniques and construction methodology and technology.

Capital Allowances claims must be able to stand up to scrutiny. The figures need not only to be correct but also justifiable. This will ensure you have no further wide spread enquiries from HMRC.

Capital allowances claims, in connection with the acquisition or development of crematoria requires your advisor to have in-depth knowledge and experience of the statutory rules contained within the Capital Allowances Act 2001.

As specialists, we can also provide you with essential preplanning advice, to maximise tax savings, increase yields and potentially make an uncertain project viable.

As tax rules are constantly changing, as specialists in this niche area, we ensure that we have the most up to date information to guarantee your tax savings are maximised.

EXPERIENCE IS KEY

WORKING TOGETHER

Cavetta Consulting is a resource with over 30 years of experience, and are able to give our clients the benefit of this.

Once appointed, we work with your appointed advisors project team and accountant. We ask the questions and obtain the information. Our aim is to take the burden of maximising the tax relief from you.

SEEMLESS PROCESS

We seek to offer you a more personal service. We are not a major corporation and we have the advantage that we can take time to ask questions, understand your needs and take personal pride in saving you money.

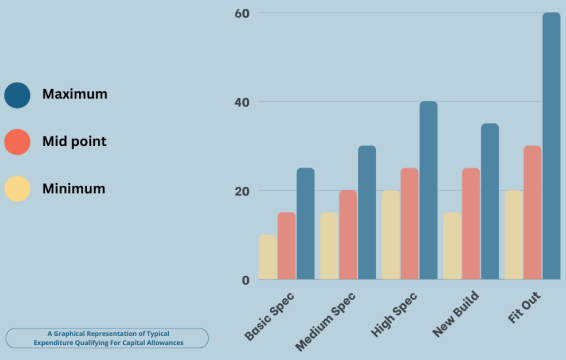
CONTINUED SUPPORT

Our work does not end once we provide you with your valuation. We are committed to you and our engagement is only concluded when the capital allowances valuation is agreed by HMRC.

HAPPY TO HELP

We are always happy to help, wherever you are in your capital allowances journey. We provide a free initial consultation, and don't take an appointment where we can't add value. In addition, we are happy to answer any questions that you may have.

Typical Expenditure Qualifying For Capital Allowances - Crematoria and Funeral Homes



A Graphical Representation of Typical Expenditure Qualifying For Capital Allowances

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This briefing is intended to provide an introductory outline to certain aspects of the UK Capital Allowances regime. It should not be used instead of obtaining proper professional advice. The outline is for guidance only and is not an appropriate basis for decision-making.