

Property Income

① Rental

② Premium Revenue

18/19.

Basis - Cash unless > £150k.

Jim

Rented 1/7/18

Annual Rent £6k

- ① 14ly in advance
- ② 1/4ly in arrears

18/19

6/4/18

5/4/19

Expenses

PAID

Nov 18 £300

PAID

May 19 £500

done March 19

CASH BASIS 18/19

Rent / 12 = £1500 per yr

IN
1.7.18 £1500

31.12.18 £1500

1.1.19 £1500
4500

OUT

Nov £300

Profit
£4200

Accruals Basis

$$A_{\text{annual}}^{\text{AN}} = £6k \quad 9\text{months} \quad 9/12 \times 6k \\ = £4500$$

Expense

Nov £300
March £500 / £800

Profit
£3700

Residential - Allowable Costs Lettings

① Insurance

② Agent Fees inc. VAT

③ Travel to visit

④ Cleaning

⑤ Maintenance

⑥ Loan Interest

100%
75%
18/19 50%
25%
0%

e.g. £1000

18/19 = 500

Allowable £500
Deduction

Disallowable
Finance Relief
500
@ 20%

Capital - ^{Generally} Not Allowable

Windows / Landscaping / Extension
etc.

Plant + Machinery
Tools

Carpet Cleaner

Furnished Resid.

e.g. — ~~Initial Costs~~

fridge
sell
£100 ✓

Replacement Costs

£1000
— 100
Allowed 900

Sid. - CASH BASIS

In 11 months @ £800 = 8800

- Allowable Expenses

Insurance 480

Drains 380

Furniture Relief.

Repairs 300-50

250

1110

TAXABLE 7690

Loss

Basis period

Exceptional Costs

How do we get relief?

C/fwd

Loss

*

	P ₁	P ₂	P ₃	Total
Income	10k	10k	10k	30k
	- 1k	- 12k	0	- 13
Profit/Loss	9	- 2	10	17k

<u>18/19</u>	P1	P2	P3	~~*~~ Total
Profit/ Loss	-2k	-6k	+1k	-7k
				↓
<u>19/20</u>				C/fwd
Profit	10k	10k	10k	30k
			Loss Relief	-7
				<u>23k</u>

18/19 - 50% Allowable Finance

Loan
Interest

Dora - Employment

60,000

TAX LIABILITY

① Rental
Taxable Profit

Rental 10,000 IN

maint. 800

Ment. Int 6000

② Tax Computatn.

① Rental IN 10,000

Less - 800

6000 @ 50%

- 3000

6200

Dora tax computation... 18/19

Non-Saving

Employment 60,000

Rental 6200

TAVV.P.A. 66,200
(11,850)

34,500 @ 20% 6900

19,850 @ 40% 7940

14840

TAXABLE 54350

20% 34,500

- Finance
Interest Relief3000
@ 20% - 600

14240

Furnished Holiday Let

Weekly Sales Price

Not 100% occupancy. £

1.2K on £

○

↓

Anything

TRADE

↓
Capital Allowances

Finance Interest 100%

Rent a Room Relief

Own Home

Shared Living Accommodation

£7,500 per year TAX
FREE

Lease Premiums - Landlord View

less than 50 years

Revenue
Income

Capital
Income

$$P \times \frac{51 - n}{50}$$

(P is written vertically as 300m)
 number of years
 LATER IN LIFE

30/6/18

Annual Rent £5k per year

PREMIUM £60k (one off)
20 years

Revenue / Capital

$$\frac{51-20}{50} \times 60k$$
$$= 37200$$

$$+ 5k \text{ rent}$$

$$42,200$$

ISA's

Individual
Savings
Account

£20,000

Income
Tax
FREE

Capital
Gains Tax
FREE

NATIONAL

SAVINGS.

CERTIFICATE