



**D H C   A C C O U N T I N G**  
T a x   A d v i s o r s  
B u s i n e s s   D e v e l o p m e n t   S p e c i a l i s t s

**FURNISHED HOLIDAY LETTING**  
**ALLOWABLE EXPENDITURE**

*Rent / Rates / Insurance*

Could Include:-

Business rates, insurance, water rates .

*Crockery / Cutlery / Linen*

Bed sheets, towels, pillows, cutlery, plates, dishes, etc.

*Light / Heat*

Gas, electricity, fuel relating to cottage or proportion if attached to own residence. Any charges made should be declared as income.

*Repairs / Maintenance*

Repairs, non-capital items, painting and decorating and general maintenance.

*Printing / Postage / Stationary*

Stamps, paper, printing leaflets, brochures, etc.

*Telephone*

Phone bills for the cottage (and any receipts from charges to be declared as income).

*Use of Home as Office*

If significant, a proportion of home expenses including telephone can be claimed.

*Advertising and Marketing*

Hoseasons Group commission plus any other marketing costs.

*Services Provided*

Caretaker, gardener, cleaner (be wary of possible PAYE implications).

*Travel and subsistence*

You can claim 45p per mile (+5p if a partner is making the same business journey) for journeys undertaken for management purposes only. In addition you can also claim for reasonable subsistence cost (hotel, food etc.) incurred whilst undertaking business journeys.

<i>Garden Expenses</i>	Plants, etc.
<i>Interest &amp; Finance Charges</i>	Interest on loans for the purposes of acquiring or improving the let property together with arrangement fees and interest on HP agreements to buy furniture etc.
<i>Accountancy</i>	Accountancy fees for accounts preparation (but not Tax Returns) are an allowable deduction.
<i>Cleaning Materials &amp; Consumables</i>	Cloths, bin liners, washing up liquid, toilet rolls, soap etc.
<i>Sundry Expenses</i>	Provision of welcome packs, TV licence, flowers, refuse collection, window cleaning, leisure club membership etc.

### *Capital Items*

Certain capital expenditure qualifies for capital allowances and these include all furniture, white goods and electrical equipment, carpets, ornaments and pictures and garden furniture and equipment... and even swimming pools (but generally not the cost of the buildings in which they are housed)!

In addition, expenditure on the installation of fitted kitchens and bathrooms and integral features such as electrical (including lighting) systems, cold water, heating and ventilation systems also ranks for Capital Allowances. For the tax year ended 5 April 2019, qualifying capital expenditure up to £200,000 can be claimed in full as a deduction from profits or can enhance a loss.

100% First year Allowances are also available on certain energy saving plant and equipment.

This particular area is very complex and professional help with computations should always be sought.

**This list is reasonably comprehensive but not exhaustive; the rule is that, if the expenditure is incurred wholly and exclusively for the purposes of the holiday letting business then it is likely to be allowable for tax purposes in one form or another. You should therefore ensure that you keep full and detailed records of all expenditure (obtaining receipts wherever possible) so that you do not miss out on claiming valuable tax relief.**

We welcome enquiries and you can contact us:-

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