

WHAT IS A BUSINESS ASSET FOR ROLLOVER RELIEF?

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Many of you would have claimed rollover relief on the disposal of your farmland and other assets, but the question everyone asks is what can you rollover into?

Of course the simple answer from anyone is a business asset; however what is actually a business asset for this purpose?

For a farming business this is anything you use in the day to day trade of this business that is not moveable. For example a dairy cow or a tractor is moveable and therefore does not qualify as a business asset for rollover.

The following are a number of key examples of business assets:

- ◆ Interests in buildings or parts of buildings that are to be used in the trade e.g. a newly built or purchased grain store.
- ◆ Interests in land that are to be used for the purpose of the trade e.g. land purchased for the growing of crops.
- ◆ Fixed plant or machinery e.g. the installation of a new milking parlour
- ◆ Purchased entitlements under the basic payment scheme
- ◆ Improvements to capital assets around the farm e.g. extending the cow shed.
- ◆ A property qualifying as a furnished holiday let.
- ◆ A farm worker's cottage.

For those looking to diversify their farming business into new areas the purchase of hovercrafts, satellites, space stations and spacecraft do also all qualify as business assets for rollover!

Also, in terms of timing of these purchases, remember you must acquire the new business assets, or enter into an unconditional contract for the acquisition of the new assets, in the 12 months before, or 36 months after the disposal of the original asset.

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