

Example of profit & loss account

In preparation of any potential Business Property Relief (BPR) claim it is important to have clear accounting records. These can demonstrate that the business is one of mainly trading rather than one of mainly investments. We have prepared an example profit and loss account for illustration purposes, demonstrating how types of income can be split into trading and non-trading categories.

INCOME		<i>Est</i>	
		<i>Split</i>	
<i>Trading</i>	Caravan sales		1,100,000
<i>Trading</i>	Caravan sale commission		65,000
	Holiday home income		40,000
	Lodge rental income		20,000
<i>Trading</i>	Bar income		100,000
<i>Trading</i>	Shop income		80,000
<i>Trading</i>	Restaurant income		200,000
<i>Trading</i>	Leisure facility income (eg. access to pool/tennis courts)		50,000
<i>Trading</i>	Touring van income		350,000
	Camping income		10,000
<i>Trading</i>	Gas sales		75,000
<i>Trading</i>	Electric sales		80,000
	Other income		15,000
			2,185,000
	Pitch Fees:		
	Ground rental	20%	600,000
<i>Trading</i>	Rates	15%	450,000
<i>Trading</i>	Wifi Access	10%	300,000
<i>Trading</i>	Park maintenance (leisure facilities, gardening ect)	25%	750,000
<i>Trading</i>	Provision of on site warden	20%	600,000
<i>Trading</i>	Waste collection	5%	150,000
<i>Trading</i>	Electric availability	5%	150,000
			3,000,000
	Residential fees:		
	Ground rental	25%	625,000
<i>Trading</i>	Residential rates	20%	500,000
<i>Trading</i>	Park maintenance (leisure facilities, gardening ect)	25%	625,000
<i>Trading</i>	Provision of on site warden	20%	500,000
<i>Trading</i>	Residential gas	5%	125,000
<i>Trading</i>	Residential electricity	5%	125,000
			2,500,000
TOTAL INCOME			7,685,000
COST OF SALES (direct costs)			
	Caravan purchases		500,000
	Bar purchases		45,000
	Restaurant purchases		120,000
	Shop purchases		60,000
	Gas purchases		65,000
	Wages and salaries		2,500,000
	National Insurance		350,000
	Pension		30,000
			3,670,000
	Park maintenance expenses:		
	Groundworks repairs		250,000
	Garden maintenance		150,000
	Haulage		250,000
			650,000
TOTAL COST OF SALES			(4,320,000)

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