



ABACUS
PROFESSIONS FINANCE

Long Funding Lease

A Long Funding Lease allows practices to spread VAT yet still gain 100% tax relief in the first year.

NB: From 1st April 2021 until 31st March 2023 the new Super Deduction Allowance will provide 130% tax relief in the first year



Where a lease of plant and machinery is treated as a long funding lease, you can claim capital allowances (in this case the Annual Investment Allowance) instead of obtaining a tax deduction for lease payments. The full tax relief is received in the year assets are purchased.

All other terms are the same as our normal Lease facilities with VAT spread - minimising the impact on your de minimis position - and title to the equipment available at the end of the agreement.

Importantly the criteria for a long funding lease is that the term exceeds 7 years. Abacus therefore provide an 85 month facility (7 years + 1 month)

Further information can be found at
<https://www.gov.uk/hmrc-internal-manuals/capital-allowances-manual/ca23830>