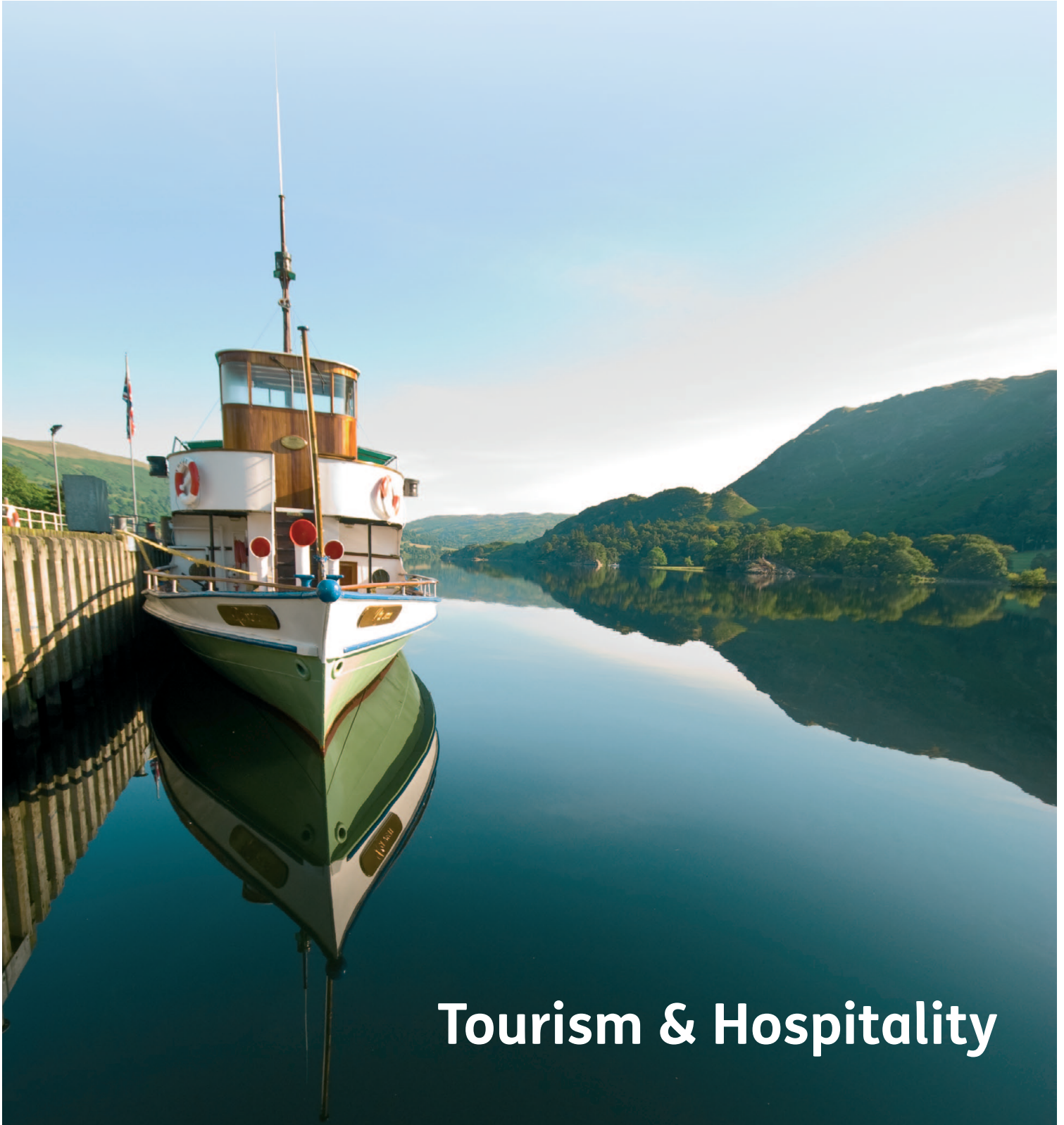


Lamont
Pridmore

The best **next** decision you'll ever make



Tourism & Hospitality

112018

Chartered Accountants, Tax & Business Advisers with offices throughout Cumbria and Lancashire



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Tourism and Hospitality Specialists

Cumbria and the Lake District is one of Britain's few truly world-class destinations. Our stunning landscape and heritage is strengthened by our many locally owned tourism and hospitality businesses who provide the highest standards of product, quality and service.

Cumbria's visitor economy makes a significant contribution to the Cumbrian economy. In 2017, Cumbria and the Lake District welcomed over 47 million visitors who brought £2.9 billion to the region's economy and provided employment for 37,796 full time equivalent posts (estimated to be 64,992 actual jobs).

Lamont Pridmore is a multi-award winning, family-run firm of chartered accountants, tax and business advisors. We have offices throughout Cumbria and Lancashire and, thanks to our years of experience working with a wide range of businesses in the sector, we are tourism and hospitality specialists.

We are proud to be a Strategic Partner to Cumbria Tourism whose role is to market and develop Cumbria as a world class visitor destination, and we sponsor and support the Cumbria Tourism Awards which celebrate the success and excellence demonstrated by the county's tourism businesses.

We combine traditional values with a forward-thinking, innovative approach to the constantly changing demands of the modern business world. We take a holistic view to ensure we understand your business, the tourism and hospitality sector and your personal and family goals. At Lamont Pridmore, we focus on the future rather than the past, starting where many firms finish.

We are passionate about providing a personal service and offer a great range of innovative products that add real value to your business and personal life. Our specialist services can provide real value to your tourism and hospitality business and include:

- Business start-ups including our Tourism Business Start-Up Guide and Limited Company Guide
- Business viability and business plan reviews
- Preparing business plans for start-up, raising finance for expansion or further business development
- Advising on business structures and acquisition strategies
- Maximising capital allowance tax claims on refurbishment and improvement programmes
- Maximising capital allowance tax claims on "green" expenditures
- Advising on tax mitigation strategies for employee earnings, benefits, tips and profit extraction plans
- Profit improvement studies, including competitor analysis, price differentiation, creating your price model, developing key performance indicators and benchmarking reports comparing your business performance with the best in your sector
- Developing succession strategies, grooming your business for sale, maximising business sale values and advising on the most tax efficient allocation of business sale proceeds
- Protecting the family and the business
- Helping you to invest your wealth wisely, including developing your Life Wealth Plan.

For more information on how we can help your tourism and hospitality business, please contact Graham Lamont on **0800 234 6978** or visit www.lamontpridmore.co.uk

Tax Effective Business Start-ups

When you start a business there are important tax decisions to be taken. Tax relief can be available for your investment and the way you structure your business will affect your business and personal tax liabilities. We can advise you about how to mitigate and plan for your tax bills.

Our services for new business clients cover a wide range of functions and include: -

- Helping you to prepare your Business Plan or assess the viability of your new business venture
- Tax effective business structure choices and who should be involved in the business
- Tax relief on your investment in the business
- Tax efficient borrowings
- How should assets be owned and what will be the best tax ownership structure?
- Planning tax relief on specific types of business equipment and machinery
- Identifying appropriate tax reliefs and effective structures for outside investors
- Choosing tax efficient strategies for extraction of profits from the business
- Start-up form filling and compliance
- Planning to help to reduce your tax bills
- Dealing with employment taxes, PAYE and workplace pensions compliance
- Registration for tax liabilities including all business and personal taxes and NIC's
- Advice on tax compliant business record keeping systems

Our specialist knowledge of the tourism and hospitality sector means Lamont Pridmore can help businesses thrive despite the fast-changing market conditions and increased regulatory requirements, while ensuring minimal tax liabilities and maximum profitability.

Purchasing a Tourism or Hospitality Business

We have advised many clients on buying hotels, guesthouses or bed & breakfast businesses, helping them through the entire process from assessing the viability of a particular business through to agreeing the contract details with the vendor. The tax you will pay is a very important aspect of this process and decisions made at the purchase stage can often have a significant effect on your tax liabilities once you start the business and even later on when you hope to sell or retire.

Our services include advising you on:-

- How to prepare your business plan or assess the viability of the business you are proposing to buy
- What sort of business structure will be suitable, ie partnership, or limited company?
- Other business structures, ie corporate partnerships or limited liability partnership?
- Ownership of business assets and appropriate ownership structure either:-
 - Joint tenants? Tenants in common? Trust ownership options?
- Involvement of members of your family in the business and possible tax saving options
- Allocation of private and business proportions in the contract tax effectively
- Cost allocations on the purchase of the business for Capital Allowances purposes
- Appropriate apportionment of the purchase price to maximise tax allowances
- Identifying integral features, fixtures & fittings in the purchase price for tax allowances
- Identifying specialist plant and equipment and obtaining the correct tax allowances
- Advising on energy efficient and other green tax incentives for plant and equipment
- Identifying appropriate tax elections with the vendor on the purchase of the business
- Possible goodwill amortisation options for tax purposes on the purchase of the business
- Treatment of expenses on the purchase as either revenue or capital tax relievable costs
- Structuring your business/private borrowings to optimise tax relief on loan interest
- Deciding upon whether the property should be owned inside or outside the business
- Optimising the ownership and business structure to maximise capital tax reliefs longer term
- Considering ownership via trust structures
- Advising on the tax deduction of repairs and renewals or wear and tear allowances
- Reviewing and advising on private use proportions and domestic proportions for tax relief
- Review owner accommodation and "keep" adjustments to ensure tax effectiveness
- Reviewing possible staff accommodation and other benefits issues and ensuring these are structured tax effectively
- Benchmarking your business performance against others in your sector and providing Key Performance Indicators to help you manage the performance and profitability of your business

There are a host of tax and profitability considerations arising when you buy an accommodation business. The benefits we achieve are normally at least 3 times the fees we charge.

Tax and Tourism & Hospitality Businesses

Lamont Pridmore has helped many tourism and hospitality business clients to significantly reduce their tax liabilities. Tourism as a sector exhibits some unusual and unique features such as seasonal and cyclical income patterns and specific tax compliance issues which need specialist advice to help you minimise your overall tax liabilities.

Our services include:-

- An annual tax meeting before your financial year end to help to reduce your tax liability
- Structuring the business to ensure tax effective property ownership
- Identifying specialist reliefs, such as “residential lettings” relief suitable for tourist businesses
- Identifying family tax planning opportunities and profit sharing arrangements to reduce your tax liability
- Ensuring proper and cost effective benefits and expenses tax planning
- Identifying employee, staff and casuals employer compliance issues and dealing with the tax authorities to ensure proper compliance and planning staff tax effective benefits packages
- Planning optimal tax allocation of property improvements costs and plant and equipment purchases to maximise your claims for Capital Allowances, deductions for refurbishment and new build projects
- Planning proprietors’ taxable accommodation adjustments efficiently to minimise tax liabilities
- Advice on internal cost controls to mitigate tax on own good adjustments, and stock and benefits adjustments for owners and employees
- Advice on specific compliance issues such as staff travel benefits and meals
- Preparing contractual arrangements for subcontract staff, trainers, instructors, and similar workers to ensure correct tax arrangements for the self-employed professions
- Advising on the tax regime for UK furnished holiday lettings businesses

Tourism businesses offer some specific tax planning possibilities and also some particular tax compliance problem areas, which need to be managed to your best advantage whilst remaining compliant.

Effective Tax Planning for Business Capital Allowances

We understand that the UK tax regime for business expenditure on plant, equipment and machinery now offers a bewildering array of alternative possible claims and different ways of treating specialist types of expenditures. Allocating costs to the right heading and apportioning buildings expenditures in particular can make a huge difference to your business tax liabilities, especially where you are carrying out major works or property improvements.

Our services cover advising you on:-

- Plant and machinery definitions and claims
- Energy efficient allowances and "green" tax reliefs
- "Short life" and "long life" assets claims and planning opportunities
- Research and development allowances and available tax credits to gain tax refunds
- Specialist claims for fixtures and fittings and plant built into your premises
- Advice on Annual Investment Allowances and special treatments of certain items
- Claiming "integral features" allowance on lighting, wiring, water technology and other systems
- Identifying the most tax efficient allocations and apportionments on building sales and purchases
- Claiming under claimed allowances on previous building projects and purchases
- Claiming specialist allowances such as patents and know how, intellectual property and computer software allowances
- Identifying planning opportunities with vehicles, specialist plant and equipment transactions
- Optimising capital allowances claim on new builds and property improvements including allocations in the most tax efficient manner to fixtures, fittings, furniture, specialist lighting and other "functional" items

Many businesses regularly under claim their entitlement to Capital Allowances simply because they either do not know what is eligible for allowances or their records are not adequate to provide comprehensive disclosure of the expenditures they have incurred. We can usually increase your claim for this relief by as much as 50 percent.

Selling a Tourism or Hospitality Business

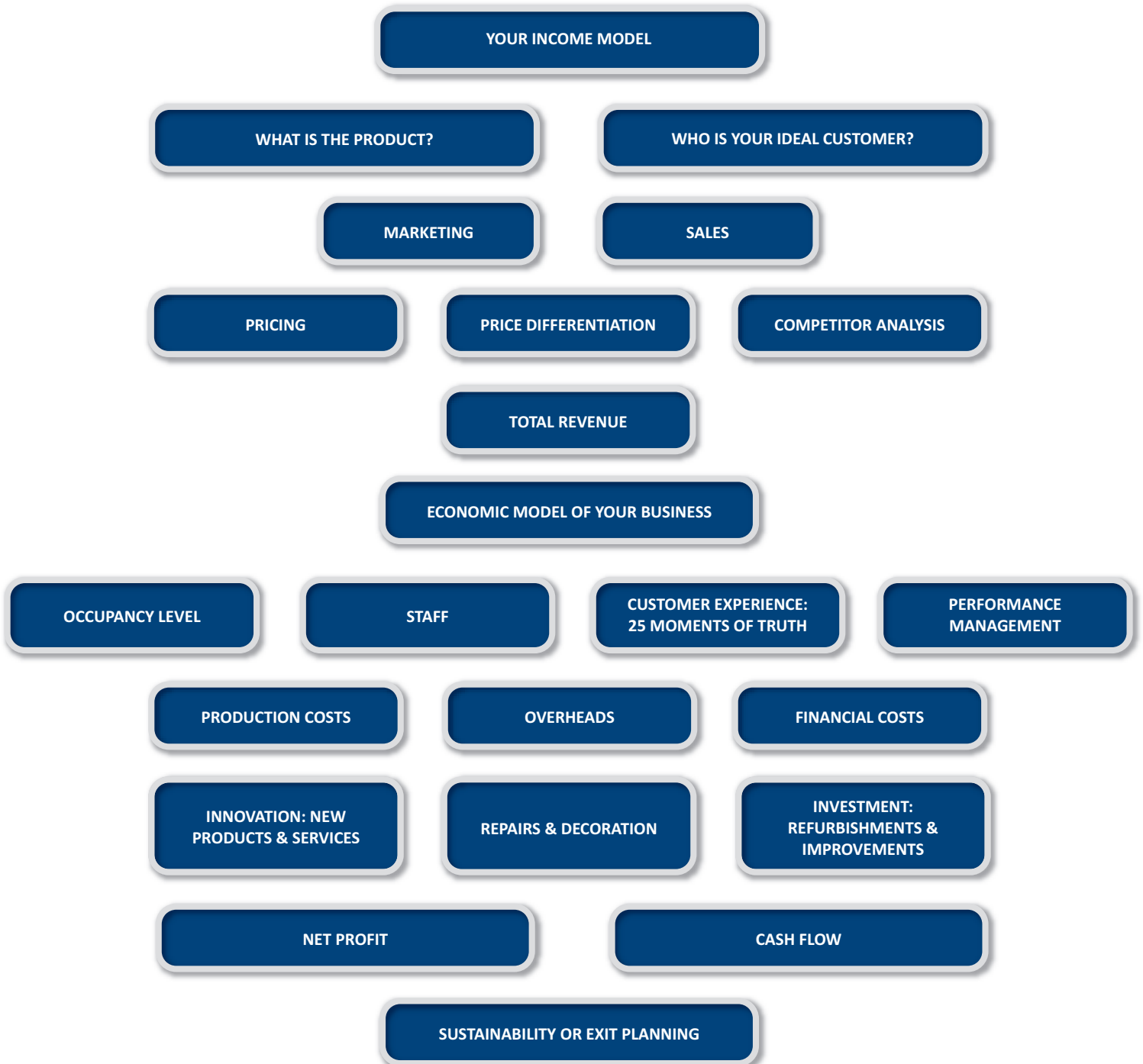
Lamont Pridmore has advised many clients on selling their hotels, guesthouses or bed & breakfast businesses, helping to ensure their business is sale ready and managing the sales process, including agreeing the contract details with the vendor. We have helped many clients to reduce their capital gains tax significantly, sometimes even reducing it to nil. Selling your business can be stressful enough without worrying about the size of the tax bill. Capital Gains Tax can be a major charge on the disposal of your business and we have developed a structured and progressive approach to advise you in advance of the sale on planning for the reduction of this liability.

Our services include advising you on:-

- Extracting profits tax efficiently before the sale
- Who should own the assets immediately before the sale?
- Restructuring to ensure access to Roll-Over Relief for capital gains tax
- Reviewing ownership to ensure optimum access to Entrepreneurs Relief
- Considering use of hold-over reliefs for pre-sale tax planning
- Structuring family gifts to optimise tax reliefs
- Timing the sale effectively to mitigate or defer capital gains tax
- Negotiations with the buyer's tax advisers on your behalf
- Apportionments to utilise tax exempt assets such as chattels and moveable items
- Apportionments to ensure tax effective allocations for SDLT purposes
- Capital Allowances elections for disposals agreements with the purchaser
- Assessing private and business proportions for capital gains tax purposes
- Using earn-out techniques and other tax efficient sale options
- Using trusts to save tax on disposals
- Ensuring optimal offset of available losses, both income and capital and available loss offset and creation techniques
- Liaison with lawyers and sales agents to ensure the tax effectiveness of sale agreements
- Advice on offshore planning and tax emigration options
- Advice on optimising expenses for tax purposes on sales
- Reviewing entitlement to private residence relief
- Assessing entitlement to residential lettings relief
- Preparation of all detailed capital gains calculations and negotiation with H M Revenue and Customs on agreement of liabilities
- The use of structured tax planning techniques to mitigate the liabilities on large disposals

Good planning and sound structuring of your business well in advance of a sale can cut your tax bills significantly, ensuring hard earned wealth is passed to the younger generation.

Your Tourism Business Model



Barrow Office

Phoenix Business Centre, Unit 8, Phoenix Court, Phoenix Road, Barrow-in-Furness, Cumbria LA14 2UA
Tel: 01229 840261

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Carnforth Office

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Kendal Office

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Keswick Office

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Penrith Office

Ullswater Road, Penrith, Cumbria CA11 8QTP
Tel: 01768 800380

Whitehaven Office

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Tel: 01946 550300

Workington Office

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