

## FOCUS ON: CARAVAN AND HOLIDAY HOMES

Welcome to Milsted Langdon's Focus on, looking at news and information relevant to specific business and industry sectors.

This Focus on Caravan and Holiday Homes takes a look at the positive effect of increased tourism, how you can benefit from adopting a strategic approach to business and the advantages of an effective online presence.

We conclude by considering how HM Revenue & Customs is tightening the Time to Pay scheme. If you have any feedback on this issue of Focus on Caravan and Holiday Homes, or would like to know more about our services or how we can help you, please contact us.

### INCREASED TOURISM BOOSTS CARAVAN SITES

As the challenging economic climate continues to impact on people's holiday plans, caravan sites in popular destinations have benefited from a rise in the number of tourists – both from within the UK and overseas.

A new survey by VisitEngland, published on 17 August, showed that overall admissions to tourist attractions went up three per cent in 2010, with attractions that don't charge an entry fee receiving six per cent more visitors.

Overall, the number of visitors to museums and art galleries rose by five per cent, the popularity of country parks increased by the same amount, and workplaces and places of worship received a four per cent boost.

While some regions – including the North East, East Midlands and Yorkshire – saw numbers fall or stay the same on the previous year, the South West clocked up a one per cent rise in visitors.

The region also performed well in research published in July by the Institute of Customer Service (UKCSI), which found that respondents thought the South West offered the best customer service to holidaymakers.

The South West scored the highest mark – 24 per cent – out of nine regions and when respondents who had selected their own region were discounted, the South West remained in first place, with an increased score of 30 per cent, well ahead of second-placed Scotland on 20 per cent.

Meanwhile, the latest International Passenger Survey reported that 2.89 million tourists from overseas visited the UK in June, a nine per cent increase year-on-year.



## A STRATEGIC APPROACH TO BUSINESS

Running a business is a full-time job, so it's not surprising that many owners of caravans and holiday homes are often too busy to think about the bigger picture.

But with the current economic climate making life even more challenging, there's never been a better time to review – or perhaps put in place for the first time – a strategy for moving your business forward.

Your business strategy allows you to define your goals and the funding, management tools and work practices that you need to achieve your objectives.

It's tough to do it alone, which is why taking independent, expert advice from an experienced professional can help you to look at your business with fresh eyes and develop a strategy that gives you a focus for the future.

Your business strategy is not something that's set in stone, but evolves with your business through the different stages of its life – from starting up to expansion, in order to help you maintain a position that's right for you at a particular time or to deal with difficult trading conditions.

Your business strategy can also help you make sure you receive the maximum benefit if you decide to dispose of your business or make longer-term plans for your exit.

In any case, it's wise to regularly review your business strategy – whether this is monthly, quarterly or to look at a specific issue – so that you stay on track to achieve what you want, measure your progress against your targets and also deal effectively with both challenges and opportunities.

## MAKING THE MOST OF YOUR ONLINE PRESENCE

As customers continue to shun traditional media in favour of internet searches when it comes to researching products and services, it has never been more important to offer an intuitive website with secure online booking.

This is especially true if you consider that the often changeable weather within the UK can lead to a surge in last minute bookings, which are often made online.

Furthermore, as more people are searching for businesses online, it makes sense to focus more of your advertising revenue on such activities. This includes search engine optimisation (SEO) in order to boost your ranking in the results produced by internet searches, as well as pay per click (PPC) advertising.

But developing your online presence is about more than just having an effective website. You should also consider using

email campaigns for previous visitors, as well as social media sites such as Facebook and Twitter. Having a presence in the social media world means you are more visible to potential clients and can also sustain close relationships with your current ones.

Such sites can be used to advertise forthcoming promotions and interact with potential customers at minimal cost – both financially and timewise. As a result, customers will not need to keep checking your website for the latest news, but can instead receive notifications as soon as you have any new information to give out.

## TIGHTENING OF THE TIME TO PAY SCHEME

HM Revenue & Customs (HMRC) is now refusing applications under Time to Pay (TTP) where dividends are used as a form of remuneration.

TTP, introduced in November 2008, normally allows companies and individuals to defer and pay by instalment any taxes that they owe, in a bid to assist with temporary cash flow problems.

HMRC's new position is that where a company asks for a TTP arrangement and recently paid out a dividend while running up a tax debt, HMRC will refuse a TTP on the grounds that the company has preferred to use the money elsewhere.

Many companies pay dividends as part of a tax-efficient remuneration package. However, it seems HMRC takes the view that if a company has cash available to make a non-contractual payment, then it can pay at least part of its tax debts.

This policy will almost certainly hit small and medium-sized businesses hardest, potentially leading to cash flow problems and may force more businesses into increased hardship.

Another significant development is that HMRC recently announced that it will stop publishing figures for the number of businesses which are using the scheme. This has triggered fears that the scheme is about to be wound down, although this is something that HMRC has denied.

However, the number of rejected applications rose by a third year-on-year in the second quarter of 2011. Indeed, the number of approvals plummeted by nearly 50 per cent in the year to June, while the value of the tax payments deferred tumbled by 42 per cent.

Therefore, any business considering making an application to the scheme should take note of these points.

For more information and advice on your tax liabilities, please contact us.

### TAUNTON OFFICE

Winchester House,  
Deane Gate Avenue,  
Taunton, TA1 2UH  
Tel: 01823 445566  
Fax: 01823 445555

### BRISTOL OFFICE

One Redcliff Street,  
Bristol,  
BS1 6NP  
Tel: 0117 945 2500  
Fax: 0117 945 2545

### YEOVIL OFFICE

Motivo House  
Yeovil,  
BA20 2FG  
Tel: 01935 383500  
Fax: 01935 383511

Disclaimer - for information of users: The information in this flyer is intended for general advice only and no action should be taken in respect of individual circumstances without receiving specific advice.

MGI is a worldwide alliance of independent auditing, accounting and consulting firms. Neither MGI nor any member firm accepts responsibility for the activities work, opinions or services of any other members.

