



# LEISURE IN BRIEF



# Welcome to Leisure in Brief No.6 Spring 2011

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# ENTREPRENEURS' RELIEF - ADVANTAGE DOUBLED

In the 2011 Budget on 23rd March, the Chancellor announced that the lifetime limit on gains qualifying for Entrepreneurs' Relief would increase from £5m to £10m from 6 April 2011. PAULETTE THOMAS explains how you could benefit...



Entrepreneurs' Relief provides a favourable 10% Capital Gains Tax rate on an individual's qualifying gains up to the lifetime limit. As the rate without this relief is either 18% or 28%, significant savings could be made.

For example, Mr X sells his shares in Holiday Park Ltd, which has been confirmed to be of trading status, for £6m. The shares were originally acquired for £1m. Mr X has not previously utilised any of his Entrepreneurs' Relief lifetime allowance. His other income for the year is £50,000 so he is a higher rate taxpayer.

Mr X's Capital Gain's Tax Liability will be calculated as follows:

	With Entrepreneurs' Relief	Without Entrepreneurs' Relief	Tax Saving
	£	£	£
Proceeds	6,000,000	6,000,000	
Acquisition cost	(1,000,000)	(1,000,000)	
Taxable gain	5,000,000	5,000,000	
CGT liability @ 10%	<b>500,000</b>		<b>900,000</b>
CGT liability @ 28%		<b>1,400,000</b>	

At Champion, we can help you:

- Review your business and advise on the availability of Entrepreneurs' Relief
- Advise of other methods of sheltering Capital Gains Tax
- Prepare your business for sale

For more information on Entrepreneurs' Relief  
or to arrange a review of your business, please contact  
**PAULETTE THOMAS on 01244 404 420**  
or e-mail [paulette.thomas@championgroup.co.uk](mailto:paulette.thomas@championgroup.co.uk).

# ZERO VAT TO BE AXED

Caravan owners are set to incur VAT on supplies that were previously zero rated or outside the scope of VAT. Leisure Director DAVID HARDY explains...



HMRC (Her Majesty's Revenue and Customs) has announced that from 1 January 2012, three VAT concessions for caravan owners will no longer apply.

The change comes

after a recent legal decision led HMRC to review all of its concession allocations.

Although the majority will remain, a small number will end after a period of notice

because conflicts with EU law have made it impossible or inappropriate for HMRC to legislate them.

From 1 January 2012, caravan owners will no longer receive:

- The recharge of business rates as outside the scope of VAT
- Zero rated water and sewerage charges where actual consumption cannot be identified; and
- First time connection to utilities as zero rated for VAT

From 1 January 2012, the recharge of business rates and water and sewerage charges where actual consumption cannot be identified, plus the charge for first time connection to utilities, will follow the VAT liability of the caravan pitch, i.e. standard rated for a seasonal site and exempt for a permanent residential site.

It has been reported that HMRC has already discussed the impact of these changes with caravan representative bodies.

For further information, contact  
**DAVID HARDY** on 01253 621 512  
or e-mail [david.hardy@championgroup.co.uk](mailto:david.hardy@championgroup.co.uk)

# HAVE YOU REGISTERED?



Visitors to Champion's website can now receive the latest business and tax news straight into their inbox, courtesy of our brand new "eNEWS" e-shot service.

Delivered on a monthly basis, the e-shots are designed to keep Champion clients and contacts up to date with all the latest business news, in a stylish, simple to use format.

And to help ensure an important tax deadline is never missed again, a "Tax Events" reminder service is also available to those that register.

Registration is a quick and simple process, and it is possible to opt in or out of the e-shots at any time.

As an added benefit, registering to Champion's

website grants instant access to a wealth of useful factsheets on areas including Corporate and Business Tax, Personal Tax, Employment, Pensions and VAT.

## Register Now!

To register, simply visit  
**[www.championgroup.co.uk](http://www.championgroup.co.uk)** and click the "Have You Registered?" link on the homepage.

If you have any questions or comments, please contact  
**LIZ MADDEN, Marketing Executive**  
on 0161 703 2500  
or e-mail [liz.madden@championgroup.co.uk](mailto:liz.madden@championgroup.co.uk)



# LEISURE IN BRIEF

## Scope of Champion's Services

Champion provides a comprehensive range of services focused on adding value to your business.

Audit & Accounts

Business Support

Corporate Finance

Insurance

IT

Management Accounts

Payroll

Tax Compliance

Tax Enquiry Insurance

Tax Planning

Vehicle Solutions

Wealth Management

## Meet the Leisure Team

**David Hardy**

**Leisure Director**

**t. 01253 621512**

**e. david.hardy@championgroup.co.uk**



**Debbie Thorn**

**Leisure Director**

**t. 01253 621512**

**e. debbie.thorn@championgroup.co.uk**



**Paul Brides**

**Group Head of Tax Compliance**

**t. 0161 7032500**

**e. paul.brides@championgroup.co.uk**



**Paulette Thomas**

**Group Head of Tax Planning**

**t. 01244 404420**

**e. paulette.thomas@championgroup.co.uk**



### Manchester Office

1 Worsley Court,  
High Street, Worsley,  
Manchester M28 3NJ  
t: 0161 703 2500  
f: 0161 703 8212

### Southport Office

71-73 Hoghton Street,  
Southport PR9 0PR  
t: 01704 535687  
f: 01704 500855

### Preston Office

4 Nile Close, Nelson Court  
Business Centre, Riversway,  
Preston PR2 2XU  
t: 01772 735000  
f: 01772 761761

### Chester Office

2nd Floor Refuge House,  
33-37 Watergate Row,  
Chester CH1 2LE  
t: 01244 404420  
f: 01244 404440

### Blackpool Office

54 Counce Street, Blackpool,  
Lancashire FY1 3LJ  
t: 01253 621512  
f: 01253 752576