

# ROOMSERVICE

News for the Hotels industry



Welcome to the first edition of Room Service, a new regular newsletter from PKF Littlejohn's Hotel and Leisure team, providing a round-up of the main developments in accounting and general market matters.

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## Why customer service matters more than ever

Times are changing. We've rediscovered our voice, using elections and referendums to signal our collective unease at the long-established status quo. We've realised that our feedback has the power to move markets across the globe, affecting the share prices of listed companies and, in doing so, the value of our pensions and investments.

The hotel sector is not immune to these developments. Hotel guests give feedback if they don't like something – either in person or via social media. This has an impact in some form on the business: at the very least it keeps everyone on their toes; more fundamentally, it can affect the hotel's bottom line. The winners in this new world will be those hoteliers who can maintain service provision at the highest level and keep dissatisfied customers appeased. Is your business ready for the challenge?

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## Airbnb – does it have an unfair VAT advantage?

Airbnb is back in the headlines. The issue this time is that individuals who list their rooms on the platform may not be required to charge VAT on the basis that their personal rental income is below the annual VAT threshold of £83,000. While VAT would be payable on any commission due from the individual to Airbnb, there is a concern that hotels face an unfair competitive disadvantage because they are obliged to charge and pay over VAT on their room rates.

The counter argument is that Airbnb does nothing more than help publicise a number of very small businesses, each one offering something slightly different. It would therefore be unfair to include them all together and expect them to pay VAT as if they were a single, large entity.

We work in a dynamic sector: Airbnb has changed the competitive landscape and someone else will alter it again in the future. As we've seen in other sectors, businesses that adapt to the new landscape – in this case, hotels that are able to embrace the competition, adapt accordingly or differentiate themselves from similar offerings by expressing their added value and quality service provision – will be the ones that continue to thrive in the future.

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## Hot topics – what you need to know

Here's our round-up of what's been making the news in the market over the past few weeks.

**EU worker levy?** - There are suggestions that a post-Brexit annual levy on EU workers may be put in place, which would have an impact on recruits within the sector. [Read more.\\*](#)

**London accounted for half of hotel transactions in the UK in 2016** - According to Savills, London hotel transactions were valued at £2 billion during the last year. [Read more.\\*](#)

**Some predictions for 2017** - Various industry bodies give their thoughts on what is going to happen in the hotel sector in the coming year. [Read more.\\*](#)

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We hope you've found this issue useful. If anyone within your business would like to receive future issues, please send their details to Ruby Crowley (rcrowley@pkf-littlejohn.com).

Our specialist team is here to help. If you would like advice on any of the issues discussed in this newsletter, please contact one of our Hotel and Leisure team.

**PKF Littlejohn LLP**

1 Westferry Circus  
Canary Wharf  
London E14 4HD  
Tel: +44 (0)20 7516  
2200

**pkf-littlejohn.com**

**TIM HERBERT**

**Partner**

E: therbert@pkf-littlejohn.com  
T: +44 (0)20 7516 2249

**KEITH STEELE**

**Partner**

E: ksteele@pkf-littlejohn.com  
T: +44 (0)20 7516 2368

**DOMINIC FIORE**

**Partner**

E: dfiore@pkf-littlejohn.com  
T: +44 (0)20 7516 2253

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