A to Z VAT Guide

Contents

A to Z VAT Guide ........................................................................................................................................... 1

Contents .......................................................................................................................................................... 1

1 Introduction.................................................................................................................................................... 8

1.1 Purpose of this guide ................................................................................................................................ 8

1.2 What is VAT .............................................................................................................................................. 8

1.3 Responsibilities & VAT ............................................................................................................................. 9

1.4 General information .................................................................................................................................. 9

1.5 Vat registration number ........................................................................................................................... 10

1.6 The University’s status & VAT ................................................................................................................ 10

1.7 Terminology ............................................................................................................................................. 10

1.8 Contracts – general ................................................................................................................................... 11

1.9 Contract terms and wording of invoices ................................................................................................. 11

2 Overview of VAT on University income .................................................................................................... 12

2.1 University VAT codes for income ............................................................................................................. 12

2.2 Introduction to VAT on income ................................................................................................................ 13

2.3 Non-invoiced income ............................................................................................................................... 13

2.4 Sales invoices .......................................................................................................................................... 13

2.5 Time of raising a sales invoice ................................................................................................................ 13

2.6 Education fee rules for VAT exemption .................................................................................................. 14

2.7 Education and closely related goods/services ......................................................................................... 14

2.8 Closely related goods and services sold to the pupils of other eligible bodies ..................................... 15

2.9 Place of supply rules for overseas income .............................................................................................. 16

2.10 Supply of services .................................................................................................................................. 188
A-Z TOPICS .............................................................................................................. Error! Bookmark not defined.0
A ................................................................................................................................. Error! Bookmark not defined.0
  A.1 Accommodation .............................................................................................. Error! Bookmark not defined.0
  A.2 Administration fees including deposits .......................................................... 211
  A.3 Admission charges / ticket sales .................................................................... 212
  A.4 Sale of alcohol ................................................................................................. 223
  A.5 Advertising ...................................................................................................... 223
B .................................................................................................................................. 256
  B.1 Barter transactions or trade ins ...................................................................... 256
  B.2 Bench fees ...................................................................................................... 256
  B.3 Books and publications .................................................................................. 26
  B.4 Buildings ........................................................................................................ 267
  B.5. Buying in services from overseas ................................................................ 268
C .................................................................................................................................. 29
  C.1 Car hire ............................................................................................................. 29
  C.2 Car parking ...................................................................................................... 29
  C.2 Catering and hospitality .................................................................................. 29
  C.3 Closely related supplies ................................................................................. 29
  C.4 Conferences .................................................................................................... 290
    C.4.1. Educational conferences organised solely by the University .................. 290
    C.4.2. Educational conferences organised solely by outside bodies ............... 290
    C.4.3 Educational conferences organised jointly between the University and other bodies... 301
  C.5 Consultancy .................................................................................................... 302
  C.6 Customs duty reliefs & imported goods ......................................................... 312
D .................................................................................................................................. 33
  D.1 Deposits ........................................................................................................... 33
  D.2 Disability and VAT relief ............................................................................... 335
  D.3 Discounts ......................................................................................................... 367
  D.4 DNA ................................................................................................................ 367
  D.5 Donations ....................................................................................................... 368
E.1. Education and ‘closely related’ goods/services ................................................................. 39
E.2. Electronic & distance learning materials ........................................................................ 390
E.3. E-Services ....................................................................................................................... 390
E.4. Eligible body .................................................................................................................. 401
E.5. Energy saving materials ............................................................................................... 41
E.5. EORI (Economic Operator Registration and Identification) Number .......................... 412
E.6. Errors on purchase and sales invoices ............................................................................. 412
E.7. European Commission approved bodies (S151) ............................................................ 413
E.8. European Union members ............................................................................................ 434
E.9. Examination services .................................................................................................... 445
E.10. Exhibition stands ......................................................................................................... 456
F .............................................................................................................................................. 47
F.1. Field and student trips .................................................................................................... 47
F.2. “Free” services ............................................................................................................... 47
F.3. Fuel and power ............................................................................................................... 4647
F.4. Fundraising .................................................................................................................. 47
G .............................................................................................................................................. 50
G.1. Garage lets .................................................................................................................... 490
G.2. Grant income ................................................................................................................ 490
H .............................................................................................................................................. 501
H.1. Hire of equipment ......................................................................................................... 501
H.2. Honoraria received ....................................................................................................... 501
I ................................................................................................................................................. 512
I.1. Internal recharges ......................................................................................................... 512
J ................................................................................................................................................. 523
J.1. Jersey and Guernsey ....................................................................................................... 523
L ................................................................................................................................................. 534
L.1. Laundry charges .......................................................................................................... 534
L.2. Letting of rooms (excluding conference facilities) ...................................................... 534
L.3. Library services ............................................................................................................ 545
M.1. Medical Equipment and Supplies & Zero rate relief .......................................................... 556
M1.1 Equipment qualifying for zero rate relief ................................................................. 556
M 1.2 Mainly used for medical/veterinary research etc...................................................... 57
M 1.3 What qualifies as equipment? ................................................................................ 57
M 1.4 Medicinal products for medical/veterinary use etc. & zero rate relief ................. 57
M 1.5 Substances used for medical or veterinary research etc.......................................... 58
M 1.6 Computer software .................................................................................................. 58
M 1.7 Definition of Medical or Veterinary research .......................................................... 58
M 1.8 Equipment costing >£50,000 .................................................................................... 59
M 1.9 Ineligible items ........................................................................................................ 59
M.2. Museum ......................................................................................................................... 580
O ........................................................................................................................................... 601
O.1. Option to tax ................................................................................................................ 601
O.2. Organisational structure ............................................................................................. 623
O.3. Overseas agents .......................................................................................................... 623
O.4. Overseas government training – applies to HBS Ltd only ........................................ 634
O.5. Overseas sales and purchases (see also Place of supply rules & Customs Duties) .... 634
   O.5.1 Export of GOODS outside the EU ........................................................................ 634
   O.5.2 Import of GOODS from another EU country ...................................................... 645
P ............................................................................................................................................ 67
P.1. Photocopying income .................................................................................................... 67
P.2. Place of supply rules (POS) ........................................................................................ 67
P.3. Postage and delivery charges ..................................................................................... 701
P.4. Profit sharing arrangement .......................................................................................... 712
P.5. Pro-forma invoices/requests for payment .................................................................... 712
P.6. Printing and publications ............................................................................................ 712
P.6. Project codes ................................................................................................................ 712
P.8. Prompt payment discounts ......................................................................................... 723
P.8. Publication income ....................................................................................................... 724
P.9. Purchase cards ............................................................................................................. 734
R.1. Recharge/Reimbursement of Expenses ................................................................. 745
R.2. VAT Registration numbers (& other reference numbers) ........................................ 76
R.3. Replacement degree certificates .......................................................................... 77
R.4. Research .................................................................................................................. 78
R.5. Reverse charge & Acquisition VAT ......................................................................... 801
R.6. Room Hire – see Letting of Rooms ....................................................................... 812
R.7. Royalties .................................................................................................................. 812
S ..................................................................................................................................... 823
S.1. Sale of used equipment ............................................................................................. 823
S.2. Secondments/supply of service ............................................................................... 823
S.3. Self-billing ................................................................................................................ 85
S.4. Sponsorship .............................................................................................................. 85
S.5. Sport .......................................................................................................................... 86
a. Supply of sporting services to individuals ................................................................. 86
b. Group for sports activities .......................................................................................... 86
c. Supply of sporting facilities to Groups/Organisations ............................................ 86
S.6. Staff (see secondments above) .................................................................................. 87
S.7. Letting space for storage of goods .......................................................................... 87
S.8. Student placements ................................................................................................. 88
S.9. Studentships and stipends ....................................................................................... 89
S.10. Students’ Union ...................................................................................................... 888
T .................................................................................................................................... 890
T.1. Tax invoices .............................................................................................................. 890
T.2. Tax point for VAT purposes .................................................................................... 901
T.3. Telephone income .................................................................................................... 912
T.4. Ticket sales for theatre productions/sporting events etc. (see admission charges above) 912
V .................................................................................................................................... 93
V.1. Validation of VAT registration numbers ................................................................. 93
V.2. Vending income ....................................................................................................... 9293
Z.1. Zero rate supplies ................................................................. 934

Annex 1 INVESTMENT PROPERTY ........................................... 9596
Annex 2 CONFERENCES ............................................................. 967
Annex 3 LIBRARY ..................................................................... 99
Annex 4 POSTAL SERVICES ...................................................... 990
Annex 5 MEDICAL/VETERINARY RESEARCH & ZERO RATE RELIEF ........................................................................... 1001
  Annex 5.1 Qualifying/Non Qualifying Equipment ....................... 10405
Annex 6 HENLEY BUSINESS SCHOOL ........................................ 10908
  HBS 1 Henley Business School .................................................. 10908
    HBS 1.1 Organisational structure ............................................. 10908
    HBS 1.2 Eligible body status & VAT exemption for provision of education .................................................................. 10908
    HBS 1.3 Zero-rating of training for foreign governments .......... 11009
    HBS 1.4 Which entity to raise invoice & account for VAT? .......................................................................................... 11009
    HBS 1.5 Where is VAT due - “place of supply”? ......................... 1110
    HBS 1.6 Which category does the income fall into?........................ 1121
    HBS 1.7 Admission to an educational event ................................ 114
    HBS 1.8 Provision of an educational service ............................... 11414
    HBS 1.9 Charging for accommodation alongside a course .......... 11415
  HBS 2 HBS University ................................................................. 11717
    HBS 2.1 Accommodation and conferences ................................ 117
    HBS 2.2 Recharging other costs ................................................ 117
    HBS 2.3 HBS Faculty MBA/ Other courses ................................ 11818
  HBS 3 General Henley Issues .................................................... 11818
Annex 7 VAT and zero rating of books etc ..................................... 1200
  7.1 Background ...................................................................... 1200
  7.2 The format of the Group 3 items ........................................... 1200
  7.3 VAT Liability of some common items .................................... 1211
  7.4 Item Descriptions ............................................................... 12929
    7.4.1 Books and booklets .......................................................... 12929
    7.4.2 Brochures and pamphlets ................................................. 12929

November 2018
7.4.3 Flyers ......................................................................................................................... 12929
7.4.4 Leaflets ..................................................................................................................... 13030
7.4.5 Items with areas for completion ................................................................................ 1300
7.4.6 Newspapers ............................................................................................................. 1301
7.4.7 Journals and periodicals ......................................................................................... 1311
7.4.8 ‘Poster-magazines’ ................................................................................................. 1311
7.4.9 Children’s picture books ......................................................................................... 1311
7.4.10 Children’s painting books ...................................................................................... 1311
7.4.11 Music ....................................................................................................................... 1312
7.4.12 Maps, charts and topographical plans .................................................................. 1312
7.4.13 Posters .................................................................................................................... 1322
7.4.14 Stationery .............................................................................................................. 1322
7.4.15 Letters .................................................................................................................... 13232
7.4.16 Incomplete publications ......................................................................................... 13233
7.4.17 Photocopies ........................................................................................................... 13233
7.4.18 Incidental articles supplied with zero-rated items .................................................. 13333
7.4.19 Binders and folders ................................................................................................. 13333
7.4.20 Book tokens ........................................................................................................... 13334
7.4.21 Small order surcharges .......................................................................................... 13434
7.4.22 Subsidy or vanity publishing .................................................................................. 13434
7.4.23 Special Rules for Charities ..................................................................................... 13434
Annex 8 Estates and Facilities ............................................................................................. 13435
Annex 9 Relevant HMRC notices ..................................................................................... 13737
Annex 10 Duty Relief application for Scientific Instruments ............................................. 13838
Annex 11 Useful reference documents ............................................................................. 13939
1 Introduction

1.1 Purpose of this guide

This guide is intended to give University staff an overview and guidance on the Value Added Tax (VAT) implications of University activities to ensure the University meets the requirement to produce accurate and timely value added tax returns to HM Revenue and Customs (HMRC). This section explains how VAT affects the University and the later sections explain the VAT treatment of specific transactions.

This guide is intended for reference purposes. If you need any further information or guidance please do contact vat@reading.ac.uk or call Karen Hullis (5441), Nigel Gower (tel. 6811) or Gill Glennon (tel. 4479).

1.2 What is VAT

VAT is a European tax, introduced in the UK when the UK joined the Common Market in 1973. It is founded in European Community Directives, as implemented in UK national law. The current legislation governing VAT is the VAT Act 1994.

A transaction is within the scope of UK VAT if the following conditions are met:

- It is a supply of goods or services, and
- It takes place in the UK (see Place of Supply rules for more information,) and
- It is made by a taxable person, and
- It is made in the course of furtherance of any business carried on by that person.

All goods and services are liable to VAT at the standard rate unless they are specifically excluded from that charged elsewhere in the law, for example, by way of VAT exemption, or reduced-rating and zero-rating.

There are three main rates of VAT in the UK:

- Standard rate 20% (pre 4/1/2011 17.5%)
- Reduced rate 5%
- Zero rate 0%

Certain supplies are exempt from VAT. This means that no VAT is chargeable.

There are differences between zero rated and exempt supplies even though both categories result in no VAT being applied to the supply. Zero rating applies a VAT of 0% and this constitutes a taxable supply. As a result input VAT in relation to directly related expenditure can be reclaimed. Exempt supplies however, are not taxable supplies and VAT incurred on related expenditure cannot be recovered. The VAT is therefore an irrecoverable cost.

Since its introduction, VAT has become more complex with each successive Finance Act. The University is subject to inspections/queries from HMRC VAT inspectors. There is a strict penalty scheme in place to penalise businesses which make mistakes, irrespective of whether or not the error was intentional. The cost of penalties and interest can be significant.
It is therefore vital that members of staff are mindful of the contents of these notes and of the need to discuss any VAT queries with the Tax Team as they arise.

1.3 Responsibilities & VAT

The Tax Team is responsible for advising on the University’s VAT affairs and for all contact with HMRC. Under no circumstances should University staff contact HMRC themselves, or engage the services of external tax advisors.

The University is required to submit quarterly VAT returns to HMRC. The completion of these returns is the responsibility of the Tax Team.

Members of staff across the University are responsible for ensuring that transactions are recorded using the correct tax codes to ensure VAT is correctly accounted for on income and expenditure.

1.4 General information

The University is registered for VAT and is required to account for VAT on the income it receives for supplies it makes.

Universities generate a whole range of sales including education, research and commercial activities. The VAT rules vary according to what is being provided and where.

The primary purpose of the University is providing education. Education supplied by the University is an exempt supply, which means no VAT is charged to any recipients of education irrespective of whether they are students or companies.

The effect of this is that the University cannot recover the VAT incurred on the majority of its expenditure on goods and services. The full cost including VAT will therefore be charged to cost centres.

The University can recover a small percentage of the VAT incurred on its overheads through its VAT Partial Exemption Method, but the income from this accrues centrally and is included in the University’s central income.

Certain supplies such as staff catering, consultancy, and vacation lettings are standard rated. The VAT that is incurred on the purchase of goods and services directly related to these activities can be recovered from HMRC.

VAT legislation is complicated and in many cases open to interpretation by HMRC. Please contact the VAT team at vat@reading.ac.uk or on extension 4476 who will either resolve the query or liaise directly with the University’s advisors or HMRC as appropriate.
1.5 Vat registration number

The University is registered for VAT under VAT registration GB 200 0126 59.

1.6 The University’s status & VAT

Eligible body status

The University is an eligible body for VAT purposes under Note 1 (b) to Group 6 (Education) of the VAT Act 1994.

As a result of its eligible status, supplies of education by the University are exempt from VAT.

Charitable status

The University is an exempt charity, regulated by the Office for Students. It therefore is an Eligible Body and has charitable status for VAT purposes. Whilst there is no general exemption for Charities from the VAT system it is entitled to receive certain supplies exclusive of, or at a lower rate of VAT, e.g. advertising services, certain construction services, supplies of medical and scientific goods, and fuel and power, subject to meeting certain conditions. The University’s HMRC charity reference number is X8145.

Further guidance is given in Annex 1 of the Charity Commission guidance at: Exempt charities (CC23) - GOV.UK.

The University of Reading is listed in Annex 1 as an exempt charity.

1.7 Terminology

Common VAT terms used in this guide, are as follows:

Supplies – goods, the exclusive ownership of which passes from one person to another, or services for which payment, in money or in kind, is made

Taxable supplies – supplies which are liable to VAT at the standard-rate of 20%, the zero rate of 0%, or the reduced rate of 5%

Input tax – VAT charged on the purchase of taxable supplies

Output tax – VAT charged on taxable supplies of goods and services

November 2018
Exempt supply – a supply of goods/services on which VAT is not charged e.g. a supply of education

Outside the scope of VAT – VAT is not charged. (In cases where the sales are outside the scope of VAT it is usually the case that there has been no supply of goods or services).

Net figure – the VAT exclusive purchase or sales price

Gross figure – the VAT inclusive purchase or sales price

HMRC – HM Revenue and Customs administer VAT, import VAT and Customs duties

Other terms used in this guide are:-

Business / Non-Business income – For VAT purposes University income is divided into either business or non-business income. University income is classified as non-business if the University does not make a supply in return for the income. For example grants are often non-business income.

HE - Higher Education

University - The University of Reading

1.8 Contracts – general

Whenever the University undertakes to provide goods or services to someone else for a consideration i.e. whether payment is to be received in money or in kind, the applicability of VAT to the supply must be considered at the outset.

To help ascertain the VAT liability of any activity, contract documents should clearly state what will be supplied by whom, where it will be supplied, and to whom it will be supplied. This is particularly important where partnerships are involved.

It is essential that VAT is charged when HMRC regulations stipulate that it must be, and if in any doubt contact the Tax Team for advice.

1.9 Contract terms and wording of invoices

It is good practice to have a VAT clause placed in all income generating contracts in order to reserve the right to charge VAT, where applicable, on top of agreed sums. An appropriate statement is:-

“Although amounts quoted in this contract are exclusive of VAT, VAT will be added at the standard rate where applicable”
It is essential to discuss the VAT treatment of the contract with the customer when discussing the contract terms. If you are unsure whether VAT is applicable or not please contact the Tax Team.

Invoice requisitions should be clear as to the type of service provided. The use of words such as consultancy and sponsorship are indicative of non-educational taxable services, whilst the words grant and claim indicate a non-taxable income, and the word course indicates an educational exempt activity.

## 2 Overview of VAT on University income

### 2.1 University VAT codes for income

The relevant Agresso codes for VAT on income are:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST</td>
<td>Standard rated (taxable income eg. consultancy)</td>
<td>20.0%</td>
</tr>
<tr>
<td>SX</td>
<td>Exempt sales (includes student fee income)</td>
<td>0%</td>
</tr>
<tr>
<td>SZ</td>
<td>Zero rated (eg. certain foods)</td>
<td>0%</td>
</tr>
</tbody>
</table>
2.2 Introduction to VAT on income

Do I always have to use a VAT code for income?

Yes - On income, a VAT code must be used in every case, either on sales requisitions or paying-in forms, and whether VAT is chargeable or not.

It is critical to use the correct VAT code particularly on sales invoices or cash and cheques, as this code is used to determine how much sales VAT the University has to pay and the proportion of overhead VAT we can reclaim.

Whether VAT is added depends on what the supply (sale) is for. If you want the Tax Team not to charge VAT on your supply then you will need to provide sufficient evidence to support this.

2.3 Non-invoiced income

If a department receives payments where sales invoices have not been raised the appropriate tax code for the income received must be entered on the paying in slip.

The amount that will be credited to the Faculty’s cost centre e.g. £1,000 received for sponsorship of a workshop, is VAT inclusive. The amount credited to the Faculty cost centre will be £1,000 - £166.67 i.e. £833.33 (the VAT is NOT 20% of £1,000). To calculate 20% VAT included within the £1,000, or any figure, you divide by 6.

NB You must always consider VAT prior to the provision of goods and services and wherever possible sales invoices should be raised.

2.4 Sales invoices

For supplies of goods and services to a business customer invoices must be raised.

2.5 Time of raising a sales invoice
VAT on sales invoices must be accounted for to HMRC in the correct period. To ensure compliance, sales invoices must normally be raised within a maximum of 14 days from the date of supply of the goods or services.

Where supplies of services are on-going, then sales invoices should normally be raised periodically in accordance with the agreement with the customer.

**Beware of non-monetary consideration**

Deals are sometimes done under which a business provides goods or services to an institution at below market value in return for services. Whether these are nominal publicity and promotion or something of more obvious commercial benefit makes no difference. VAT on the full value (normally market value) must be charged by both parties.

### 2.6 Education fee rules for VAT exemption

The supply of education by the University is exempt from VAT by virtue of it being an eligible body.

Education is not defined in legislation. HMRC regard education as meaning a course, class or lesson of instruction or study in any subject, regardless of where and when it takes place. Education includes lectures, educational seminars, conferences and symposia together with sporting and recreational courses. It also includes distance learning and associated materials. Any separate charge for registration is part of the supply of education.

It is however important that a form of instruction is provided and this forms the predominant element of the supply otherwise HMRC could consider that the supply is one of attendance to an event which would ordinarily be subject to VAT at the standard rate. In this regard, it is important to distinguish between conferences provided by the University which have a significant educational content and thus should normally qualify for exemption as opposed to a more general discussion without instruction (which would not qualify for exemption under the education exemption).

Education does not include admission to events such as plays, concerts, sports meetings and exhibitions which would be subject to VAT at the standard rate.

### 2.7 Education and closely related goods/services

November 2018
In addition to the supplies of education that the University makes and which are exempt from VAT, closely related supplies can be similarly exempt from VAT.

In general terms closely related refers only to goods and services that are for the direct use of the student and necessary for delivering the education to that person.

However, an eligible body such as the University may treat as closely related any accommodation, catering, transport and field trips that it provides.

Goods and services that are not closely related to supplies of education include the following:

- Supplies to staff (including tutors on summer schools) and to other non-students
- Sales of goods from University shops and bars
- Sales of goods not needed for regular use in class
- Separately charged laundry and other personal services
- Sale of sports clothing
- Administration and management services
- Commission for allowing sales by outside organisations at an educational establishment
- Admission charges for example, admission to plays, concerts, dances, sporting venues and exhibitions

If the University contracts to provide closely related goods or services to another eligible body, rather than direct to its own students, these supplies are also exempt but only if the body receiving them supplies education in the course or furtherance of business, i.e. it charges a fee.
(See HMRC notice 701/30 –February 2014 section 8.6)

2.8 Closely related goods and services sold to the pupils of other eligible bodies

If the eligible body is

... an educational institution such as a school, college or university

Then it should not charge VAT on the closely related goods and services it provides direct to the pupils, students and trainees of other schools, colleges or universities that are also eligible bodies
2.9 Place of supply rules for overseas income

Having determined that a supply of goods or services has taken place, the second condition to be satisfied if the transaction is to fall within the scope of UK VAT is that the supply takes place within the UK. Place of supply VAT rules are different for goods and for services.

Supply of goods

The supply of goods is deemed to be supplied where the goods are located at the time when dispatch or transport of the goods to the customer begins. For goods supplied from the UK, the place of supply is the UK.

- To EU customers

Supplies of goods to a customer registered for VAT in another EU country can be zero-rated provided certain conditions are met.

First of all we will need to obtain evidence from the customer that they are in business. In this respect we will need to obtain their VAT number and country of VAT registration. The customer then accounts for VAT at the appropriate rate on the goods in the EU country of destination. If the conditions cannot be met, VAT must be charged in the country of origin at the rate applicable to the goods in that country. The University is required to check that the customer’s VAT number given complies with the expected format for the country concerned. This number will need to be included on the invoice to the customer. The validity of a customer's VAT number can be checked via the European Commission online at http://ec.europa.eu/taxation_customs/vies/vieshome.do

All sales of goods to VAT registered customers in other EU countries must be identified for reporting to HMRC by use of tax code SE.

VAT must be charged on supplies of goods to non-VAT registered customers in other EU countries. Where, however, the University is also responsible for the delivery of the goods, once the value of such ‘distance’ sales to any particular EU country exceeds an annual threshold set by that country, the University is automatically liable to register for VAT in that other country. VAT on any further sales is then due in the EU country of destination.

For supplies of goods that would normally be zero rated or exempt in the UK, no VAT will be charged but the invoice description will need to be annotated as follows:

- Zero-rated intra EC supply
- Exempt supply
For supplies of goods that would normally be subject to UK VAT if made in the UK, the supply can be zero-rated as a movement of goods from the UK to an EU country, subject to obtaining evidence of shipment and the goods leaving the UK within a certain time limit, but the invoice description will need to be annotated as follows:

- **Supply subject to EC Acquisition VAT**

If the customer does not give the required evidence to show they are in business for VAT purposes the supplies will be subject to VAT at the UK rates.

- **Outside of the European Union**

VAT is a tax charged on goods used in the EU, so if goods are exported outside the EU, VAT isn’t charged. You can zero-rate the sale subject to holding the appropriate export evidence and goods leaving the UK within the relevant time limits (normally 3 months).

- **Evidence required**

You can zero-rate a sale provided you get and keep evidence of the dispatch/export. Detailed evidence required to support proof of dispatch/export are as follows:

- **Official evidence**

  For non EU shipments copy of the export declaration submitted to HMRC

- **Commercial evidence**

  For different modes of transport, the normal proofs are as follows:

  - For posted goods – a certificate of posting
  - For goods sent by airfreight – an air waybill
  - For goods sent by sea freight – a bill of lading or certificate of shipment

- **Supplementary evidence**

  This includes for example customers order, consignment note, sales contract and packing list.

  You must also make sure the goods are exported, and you must get the evidence, within three months from the time of sale.

  The time of sale is the earlier of:
- the day you send the goods to your customer or your customer takes them away, and
- the day you received full payment for them (if earlier)

You must not zero-rate sales if your customer asks for them to be delivered to a UK address. If the customer arranges to collect them from you – an indirect export - you may be able to zero-rate the sale as long as certain conditions are met.

2.10 Supply of services

- The General Rule

Under the general rule, the VAT rate to charge depends on whether the services are supplied to another business – a Business to Business supply (B2B) – or to a private customer – a Business to Consumer supply (B2C)

- Business to Business supply (B2B)

The general rule for B2B supplies is that the place of supply is where the customer belongs. If this is outside the UK, the supply is outside the scope of UK VAT.

If the customer is registered for VAT in the EU you must obtain and check the customer’s VAT registration number as evidence that they are in business. All sales of services to VAT registered customers in other EU countries must be identified for reporting to HMRC by use of tax code SE.

The invoice narrative should include the statement:

- ‘subject to reverse charge’

If the customer is outside the EU there is no requirement to obtain a VAT number.

- Business to Consumer supplies (B2C)

The general rule for B2C supplies is that the place of supply is where the supplier belongs. Supplies made by the University to consumers are subject to UK VAT at the appropriate UK rate. There are additional rules for customers outside the EU, please contact the Tax Team for advice.

- Exceptions to the General Rule
Certain services will not fall under the B2B and B2C rules. These include:

- Land-related services will be subject to VAT according to where the land is located
- Admission to events will be deemed to be supplied where the event takes place

**Recovery of VAT**

Where a service is supplied to an overseas business that is outside the scope of UK VAT but would have been subject to VAT if supplied to a UK business, any VAT incurred to provide the service is fully recoverable. The supply is deemed to be outside the scope of VAT (with credit).

If there is no supply of a service and you are merely receiving a grant from an overseas body to fund research, then the receipt of income is outside the scope of VAT and any VAT incurred is an expense to the grant.

### A-Z TOPICS

### A

#### A.1 Accommodation

Supplies of accommodation to the University’s own students are VAT exempt.

The supply of accommodation and catering to students is taxable in principle, but can be exempted when it is closely related to a supply of education made by the University of Reading to its students. “Student” covers all individuals that the University charges a fee for receiving teaching for whatever period of time and therefore including students attending short courses, conferences and seminars.

In addition, the University’s supplies of accommodation to students of other eligible bodies, such as other UK Universities, overseas universities, and commercial providers of tuition in English as a Foreign Language (EFL) where the student is attending an educational course supplied by any eligible body will also be exempt.

If the University provides accommodation and catering to students, where the customer is an eligible body that does not charge the students for the supply of education, the charges would be subject to VAT. If the University’s customer is instead a student or pupil of another eligible body the charges would be exempt from VAT.
At present, commercial providers of education (excluding EFL) are not treated as eligible bodies, and therefore supplies of accommodation to students of such entities will currently be treated as standard rated.

**Taxable charges**

Charges for accommodation on the night after a conference will be subject to VAT as will optional charges eg. gala dinner or a meal on the night before the conference starts. All charges for alcohol or laundry will also be subject to VAT. All charges for services provided to tutors or staff administering the function, for example, are subject to VAT as they are not eligible for VAT exemption unless these staff are also receiving education or training.

Accommodation provided to students of overseas universities and those of commercial colleges are taxable at the standard rate, unless the students are attending an educational course run by the University or a commercial provider of tuition in English as a foreign language (EFL), in which case the accommodation is exempt from VAT.

**Charges for non-students**

Charges for accommodation and meals etc. provided to non-students are generally subject to VAT. However, when services are provided free of charge, and no other consideration is received, no VAT is due. Therefore, if the charges for the students encompass all costs of the staff, so as to be a ‘complete package’, it might be possible to treat all these charges as exempt from VAT.

**Accommodation for an educational conference**

The University can treat income from the provision of accommodation and facilities as exempt when the customer is an “eligible body” (i.e. an educational institution, a charity, a local authority, a government department, or an EFL school). To support this, the University must obtain a certificate (available on the Finance website) signed by the client confirming that the exemption applies. To qualify, the goods and services must be used directly by persons receiving a supply of education from the eligible body and the client must charge the delegates for attendance at the conference. As explained above, VAT is due on any accommodation and other facilities supplied to staff, lecturers or guest presenters of the external organisation.

When bedded accommodation is supplied to persons other than those described above, the University is acting in a similar capacity to a hotel and the supply is standard rated. VAT is therefore due when accommodation is provided to University staff, visiting lecturers and the general public. The exception to this would be where the person lets the accommodation for a continuous period of more than 28 days in which case, VAT will only be due on the first 28 days and then the accommodation element will be treated as exempt from day 29 onwards and
VAT will also remain due on any element of the charge related to other services eg. meals or drinks.

For the letting of rooms, without bedded accommodation, please refer to ‘lettings’.

**A.2 Administration fees including deposits**

In most circumstances administration fees charged by the University are subject to VAT (HMRC notice 701/30 paragraph 8.3) as they are deemed to be a service which is not closely related to supplies of education.

However, where a refundable deposit is taken and part of this is retained as an administration fee if the customer does not buy/use the associated goods or services VAT is generally not due as long as the clients have been advised in advance that an amount will be retained.

Specifically, when returnable deposits are taken, for example from students renting student accommodation, this can be treated as outside the scope of VAT where the amount retained is set at a level to compensate for loss incurred. Where the amount retained is higher than this then VAT would be due at the time the deposit is taken.

The normal VAT rules around deposits can be found in HMRC guidance.

Where the customer is charged a cancellation fee for a ‘guaranteed’ room, i.e. where UoR has undertaken to keep a specific room available and is not able to let it out to other customers, then the fee charged is subject to VAT.

Where a deposit is taken for accommodation and there was no ‘guaranteed room’ and there is an agreement for the customer to cancel the booking up to a certain time or date for a ‘cancellation fee’ then the fee is not subject to VAT, but represents compensation for breach of contract, and is outside the scope of VAT (tax code SO).

http://www.hmrc.gov.uk/vat/managing/special-situations/instalments.htm
http://www.hmrc.gov.uk/manuals/vatscmanual/vatsc42200.htm

**A.3 Admission charges / ticket sales**

Admission charges to sporting events, exhibitions, concerts, and lectures that are not generally in connection with a supply of education are normally standard-rated both to UoR students, staff and visitors.

Charges to all students of the University who participate in a sporting event can be treated as exempt whether or not they are members of the Sports Centre. There is also an exemption for the provision to members of the Sports Centre, of the right to participate in a sporting event. However, VAT is payable on admission fees charged to non-members and students alike who
are spectators.

However, if the income relates to a charge for admission to a theatrical production undertaken by the University’s students then the charge can be treated as exempt in line with the case Brockenhurst College [2013] UKFTT 153 (TC).

VAT exemption is available for charges for admission to charitable fund-raising events. See separate section on fundraising events for further information.

**A.4 Sale of alcohol**

Sale of alcohol from University bars is always standard rated, no matter who the drink is sold to.

**A.5 Advertising**

Zero rate relief

By virtue of having charitable status, the University, may receive supplies of adverts which communicate to the general public with VAT charged at zero rate, *providing that they are on a third party’s time and space and are aimed at the general public*. The relief covers all types of advertisements on any subject, including staff recruitment. Zero rating is available for advertising in all the conventional advertising media such as television, cinema, billboards, the sides of vehicles, newspapers and printed publications. Zero rating is also available for adverts on third party websites and on the internet.

**Condition for relief – using third party’s time and space aimed at public**

To qualify for zero rating the important factor is whether the advertisement is placed on someone else’s time or space. If it is not there will be no scope for zero-rating. The supply must be of a right to advertise granted by a third party and the advert must be aimed at the general public.

**Online advertising**

Pay-per-click is used by organisations on search engines such as Google to encourage searchers to click on an organisation’s link in priority to any other links on the results page following a search. The organisation pays the search engine provider an agreed amount each time their website is accessed through the sponsored link. Online pay-per-click advertising by charities on websites other than their own qualifies for a zero rate of VAT. This would apply to services such as Google Adwords. It follows that the supply of copyright and design services associated with such sponsored links fall within the zero-rating.
As stated above direct placements (of advertisements) on third party websites will also qualify for zero rate VAT. Supplies relating to advertisements placed on the University’s own website will not qualify for zero rate VAT.

Other supplies relating to online marketing that will not qualify for relief are: services supplied by copywriters and designers for the purpose of search engine optimisation (structuring a website so that it contains as many keywords as possible); the listing of the University in the results of a search engine (‘natural hits’); and social media advertising.

**Design or production of advertising**  
Provided it is intended that the advertisement will be placed in purchased or donated advertising time or space, the supply of design or production of an advert will qualify for relief. This includes the design of a poster or the filming or recording of an advertisement to be broadcast.

**Design or production of prospectus**  
The zero-rating for ‘charity advertising’ will not apply to the production of a prospectus as the services received by the University will not be placed on someone else’s time or space.

The production (i.e. the printing) of the prospectus should qualify for zero-rating under the relief for certain types of printed matter. Furthermore, to the extent that the supplier of the prospectus also provides the design services, the whole of the supplier’s charge should qualify for zero-rating.

However, the separate supply of design services by a company not responsible for the printing will not qualify for zero-rating as the supply is not one of qualifying printed matter.

A single contract with a supplier for both the design and printing of the prospectus would mean that the supply could be zero rated. However, there are clearly commercial implications to take into account as well as VAT, for example the University may wish to contract with a designer separately in order to have closer control over this aspect of the work.

**Tax codes**  
When raising a P2P requisition for advertising, or design and production of advertising, which qualifies for zero rating select the tax code PA. Selection of the PA tax code will trigger the inclusion of a zero rate VAT certificate on the purchase order.

**Exclusions from zero rate relief**  
The following are not eligible for zero rate relief:

- Marketing and advertising addressed to selected individuals e.g. direct mail and telesales
- Anything on University’s own Internet website
- Advertisement on University’s own greeting cards
- Commemorative items whether or not they bear the University’s logo, for example, pens and adult clothing
- Exhibition stands and space
- Banners on the University premises
- Social media advertising
- Services relating to search engine optimisation
- Services related to listing the University in the results of a search engine ('natural hits')

**Direct marketing**
Many charities use direct marketing to publicise their good causes and seek donations from supporters. All supplies of production and postage of printed materials are subject to VAT at the standard rate of 20%.

**How to ensure your direct marketing remains VAT free**
Certain printed materials, when supplied to charities, can be zero-rated if it is clear that the purpose is to raise money for the charity and they are linked to a particular appeal. This includes the preparation, production and delivery of advertising materials, provided they have sufficient legend on them to indicate the fund-raising purposes.

There are also VAT reliefs available for individual elements of postal packages which can be zero-rated under the concession for appeal letters and envelopes, or because they are, for example, *brochures or leaflets*.

**Supply of advertising by the University**

If the University makes a charge to a customer for the placing of an advertisement in a document published by the University, or in any broadcast made by the University, or on its Internet-visible computers, the fee will ordinarily be standard-rated. However, if the customer is a charity the fee will be zero-rated. If the order placed by the customer includes a charity registration number, then no further evidence of eligibility will be required, but if any doubt exists that the customer is a charity, a signed statement to this effect should be obtained if zero-rating is to be applied. Note: the University of Reading Students Union is a registered charity and as such any income from advertisements provided by the University on behalf of the Students Union will be subject to zero rate VAT (tax code SZ).

*Source:*
*VAT Act 1994 Schedule 8 Zero-Rating: Group 15– Charities etc. as amended by SI 2000/805*
B

B.1. Barter transactions or trade-ins

If you supply services or goods (new or second-hand) and receive other goods or services in exchange you must account for VAT on the value of the goods the University receives had we bought and sold the goods/services for cash.

B.2. Bench fees

| SX | The visitor is a student attending a University or college either in the UK or overseas and he/she is using the University’s facilities as part of their studies, then the bench fee is ‘closely related’ to the supply of education and VAT EXEMPT. |
| SX | An academic is receiving academic supervision in addition to access to the University facilities, including supporting the academic in their research. As the main reason for this charge is the education provided, then the bench fees will be treated as the VAT EXEMPT supply of education. |
| ST | Bench fees for a visiting Research Fellow would be subject to VAT unless the Research Fellow is receiving education either from the University of Reading or from another University. If, on the other hand, the University of Reading is contributing to the Fellow’s own research (i.e. akin to being a sub-contractor), and not providing ‘Education’, then the University’s supply will be taxable. |
| ST | The visitor merely receives the right to access the University’s facilities, and does not receive any educational support or input from the University. As this represents the provision of access to facilities, the fees will be subject to VAT. |
| ST | The academic performs a research project alongside academics at UoR and any IP rights arising accrue to another University (e.g. the academic’s home institution). Where the other University both pays for and receives the benefit of a collaborative research project between the academic and the University, the supply is likely to be taxable following the withdrawal of the research exemption. |
If the bench fee is funded by a grant – i.e. the funder doesn’t receive any benefit in return for the funding.

B.3. Books and publications

Books, brochures, pamphlets and leaflets are subject to zero rate VAT unless they include CDs or any other electronic element in which case part of the charge for the book will be subject to VAT. The publisher will have agreed with HMRC the proportion of the value of the book which is subject to VAT.

E-books are subject to standard rate VAT.

Further details are given in Annex 7 VAT & zero rating books etc.

B.4. Buildings

The construction of buildings and certain works to buildings intended to be used by a charity solely for non-business purposes or as a village hall or similar, can be zero-rated subject to certain criteria being met.

In this respect education is regarded for VAT purposes as a business activity and hence this potential relief is limited to buildings which are primarily to be utilised for publicly funded research (to qualify 95% would need to be used for publicly funded research).

If it is not possible to obtain relief on an entire building it is possible to seek relief on a part of a building that is to be used over 95% of the time for publicly funded research purposes. To qualify the part must be an enclosed room or an entire floor of a building. An apportionment can then be made for the calculation of the relief.

Fees of architects, quantity surveyors etc. will be subject to VAT irrespective of the fact that they are in relation to a building that qualifies for relief unless they are incorporated in a charge by a construction company as part of a design and build contract.

Buildings constructed for relevant residential purposes, which include student accommodation, will also qualify for zero rate relief. HMRC accept that 95% use for relevant residential purposes will qualify.

Zero-rating may also be possible for parts of buildings specifically adapted for use/access by the disabled.

This is a complex area. Please contact the Tax team for further details and guidance.

B.5. Buying in services from overseas
If you are paying an academic or consultant to undertake work on your behalf and they are resident overseas, reverse charge VAT will be due on the value of the payment unless that person has been paid as an employee.

Before engaging individuals to undertake such work it is important to consider whether or not it is possible to treat this person as a self-employed contractor rather than as an employee. In order to determine the correct treatment it will be necessary to complete an employment status questionnaire, which is available on the Procurement website.

http://esq.private.reading.ac.uk/closed/procurement/esq/
C

C.1. Car hire

If a car is hired for more than 10 days and the costs are charged to a project which is set up as fully recoverable for VAT purposes only 50% of the VAT can be reclaimed.

C.2. Car parking

The supply of car parking is subject to standard rate VAT. Charges for car parking to students are treated as exempt from VAT following issue of a letter from HMRC to Higher Education Institutions advising them that parking for students should be exempt as closely related to education.

C.2. Catering and hospitality

The basic rule is that all supplies of catering and hospitality are taxable at the standard rate if they are not closely related to the supply of education.

C.3. Closely related supplies

Supplies by the University and other eligible bodies which are deemed to be closely related to the supply of education can be treated as exempt from VAT.

In general terms, closely related refers only to goods and services that are:

- for the direct use of the pupil, student or trainee; and
- necessary for delivering the education to that person

However, an eligible body should treat the following charges to students as closely related to the provision of education and therefore exempt from VAT (tax code SX).

- Accommodation
- Catering
- Transport
- School trips
- Field trips

However, where charges for catering or other supplies are made to students or student societies for events which are not connected with their course then standard rate VAT is likely to apply.
Please contact the Tax team for advice if in any doubt.

Henley Business School Limited is not an eligible body and therefore must charge VAT on the supply of education and of any closely related supplies.

**C.4. Conferences**

**C.4.1. Educational conferences organised solely by the University**

Where the University charges for a conference, lecture, talk or symposium it runs and delivers these charges are treated VAT exempt as it represents a supply of education.

Supplies of accommodation, catering and other facilities to those attending the conference are classed as closely related to the supply of education and therefore also exempt from VAT.

This exemption does not extend to alcoholic drink and social events that are not part of the educational content of the conference. Similarly, the relief does not extend to supplies of accommodation and catering to spouses or guests of the delegates or others who are not attending the conference as a student eg course organisers or staff looking after young students.

VAT on expenditure associated with the conference will not be recoverable.

**C.4.2. Educational conferences organised solely by outside bodies**

_a. Outside body is not an Eligible body_

VAT will be due on charges for educational conferences held at the University where the University is simply charging an external organisation which is not an eligible body for accommodation, catering and administrative support etc.

Room hire would generally be exempt from VAT, although separate charges for audio visual or projection equipment or similar would be subject to VAT. Charges for room hire will also be subject to VAT where the room is used for the supply of catering (eg. at a wedding reception or for a dinner). Charges for room hire at buildings which the University has opted to tax (see section O1), such as the Enterprise Centre, Agriculture building, Students Union, and Science and Technology Centre will also be subject to VAT. These options do not affect the VAT exemption for room hire when made to an eligible body for use by its delegates.

_b. Outside body is an eligible body_

When the University acts as the venue for a conference organised solely by an outside body, the provision of room hire is in principle exempt from VAT and the provision of
accommodation and catering is standard-rated. However, if the client is an ‘eligible body’ (e.g. educational institutions/non-profit making organisations) and it makes a supply of exempt education, then all supplies made by the University can be exempted that are for the direct use of the delegates. This exemption will extend to delegate accommodation and catering, but not to alcoholic drinks (unless included in a meal that is exempt from VAT), and not to accommodation/facilities that are provided to the staff or guests of the outside body, or guests of the delegates.

In order to provide evidence that the outside body is an eligible body, the client should be asked to sign an exemption certificate (available on the Finance website) and exemption should not be applied to accommodation and catering unless a certificate has been provided.

C.4.3 Educational conferences organised jointly between the University and other bodies

a. UoR as principal

If the University of Reading is the principal that allows the delegates the right to attend the jointly organised conference and make the supply of education then the income will be exempt from VAT in the same way as if the conference was organised by the University alone (see above).

b. UoR is acting as agent for an external organisation

If the University of Reading is acting as an agent for the external conference organiser then the VAT treatment will follow that of an externally organised conference. Any agency fees or other charges for administration that are charged by the University of Reading are subject to VAT. If the University collects the delegate fees on behalf of the external organisation and that external organisation is not an eligible body, the external organisation will be liable to account for VAT on these fees. Any monies collected by the University on behalf of the external organisation will fall outside the scope of VAT but it will be important to ensure that the VAT liability is clearly understood and documented in an agreement with the client. Any charges for accommodation and catering will be subject to VAT unless a VAT exemption certificate is held.

C.5. Consultancy
Fees for the provision of advisory services for the sole benefit of a customer that do not amount to “research” (being an original investigation to gain new knowledge or understanding) is taxable.

VAT is due on recharges for travel incurred in relation to consultancy work, i.e. invoice for train fare for academic to Carlisle £100 (+£20 VAT, tax code ST) in relation to consultancy visit where charge for consultancy is £900 (+£180 VAT, tax code ST). The VAT due will be £200 and will apply to both elements of the charge.

If the consultancy work is carried out for a VAT registered client based elsewhere in the EU then use tax code SE – 0% and ensure the customer’s VAT registration number is quoted on the sales invoice. The customer will be liable to account for VAT in their own country at the rate relevant in their home country.

If the client is based outside the EU then raise an invoice using tax code SO outside the scope of VAT, 0% VAT.

C.6. Customs duty reliefs & imported goods

Customs duty is chargeable on imports, subject to specified relief, and the duty rate is standard across the EU. VAT is also chargeable but this is at the rate in force in the Member State where the goods enter the EU. “Import” is defined as the entry of goods into the European Union from a supplier located outside the EU.

When goods are imported into the UK, there is a relief from duty for all scientific instruments and apparatus together with spare parts and special tools and approved biological and chemical substances, for use in all non-commercial research and educational activities. Relief is also available for animals imported for use in scientific research.

These reliefs are different from that for VAT zero-rating on relevant goods used for medical research or training, which is more restricted. Therefore, some imports might be duty-free but subject to VAT, whilst some relevant goods used in medical research may be both duty-free and VAT free.

Claims for Duty relief must be made BEFORE the goods arrive. To claim the relief you need to instruct the freight company, or the supplier of the goods, that the goods qualify for relief when you initially order the goods or, instruct them to deliver the package.

Detailed information is available in HMRC Notices 340 and 366.

Contact vat@reading.ac.uk for further details.

VAT & Imported Goods
Goods imported into the UK are subject to the same VAT rules that would be applied to any goods sold in the UK. Therefore zero-rated goods such as books are also eligible for the VAT at importation to be zero rated.

It is important that a certificate of eligibility is issued for equipment and other supplies imported from overseas which would qualify for zero rate VAT relief because it will be used in medical or veterinary research or training.

When buying goods you advise the import agent that the goods qualify for relief from customs duty and or VAT.

**Buying Goods in from within the EU**

When buying any goods from suppliers in the EU it is important to check that the suppliers have not charged VAT on their invoice. The supplier will have received the University’s purchase order which gave them the University’s VAT registration number. The supplier can then issue their invoice for the goods without charging VAT. It is important to check that they have not charged overseas VAT on their invoice as the University will not be generally able to reclaim this VAT.

Customs duty will not apply to such purchases. Customs duty is only due on imports of goods from outside the EU.

Although VAT should not have been charged on the supplier’s invoice, your project will be charged with reverse charge VAT (termed ‘acquisition tax’) that the University is obliged to pay over to HMRC unless the goods qualify for zero rate relief.
D

D.1. Deposits

Advance payments and deposits
An advance payment, or deposit, is a proportion of the total selling price that a customer pays before the goods or services are supplied. VAT must be accounted for when the advance payment is received or when the invoice is issued for the advance payment, whichever is earlier.

Example
A customer pays an advance payment of £12,000 for consultancy work costing a total of £120,000 (including VAT). When coding the initial payment of £12,000 use tax code ST. This will mean that £2,000 VAT will be recognised as due to HMRC at that point. The remaining £18,000 VAT will be accounted for when the final invoices are issued.

Returnable deposits
You may ask your customers to pay a deposit when they hire goods from you to make sure they bring the item back safely. No tax point is created and you don't have to account for VAT if the deposit is either:
- refunded in full to the customer when they return the goods safely
- kept by you to compensate you for loss or damage

Forfeit deposits
If you ask your customer for a deposit against goods or services but they then don't buy them or use the services, you may decide to keep the deposit. Usually you've told your customer about this in advance and it is part of the conditions for the sale. This is called a 'forfeit' deposit. For example, hotels often ask for a deposit against a room, and may keep part or all of the deposit if the customer doesn't turn up.

You should declare VAT on the deposit when you receive the payment or when you issue the VAT invoice, whichever happens first.

If you keep the deposit because your customer changes their mind about the goods or service and doesn't want them anymore, there is no VAT due. If you have already coded the income with tax code ST then you need to contact the VAT team to arrange for a refund of the VAT declared.

However, a cancellation fee for a guaranteed room or specific facility which has been kept vacant in return for a deposit will be subject to VAT, as the hotel has undertaken to keep a room available.

D.2. Disability and VAT relief
By virtue of its status as a charity, the University can benefit from VAT reliefs on purchases of certain goods and services for disabled people and certain building works when they include special features that can be used by disabled people. This relief would not be available to a University subsidiary. The relief would also not be available in respect of a building or part of a building to be leased exclusively to a 3rd party.

Details of the reliefs available are given below. Please contact the Tax team for further details and to obtain a declaration to certify eligibility for zero rating to send to the supplier.

- **Construction of a ramp, widening a doorway / passage**

  The services of constructing a ramp, altering the level of a floor, or widening a doorway or passage is zero-rated provided the work is done to help a disabled person gain access or to move about within a building. (But the construction of new doorways or passages cannot be zero rated - HMRC notice 701/7 6:2)

  Walkways do not incorporate any special features that render them ‘designed solely for use by a disabled person and so are not eligible for zero-rating’ – Tolley 28.21 P750.

- **Non-residential washrooms and lavatories**

  The services of providing, extending or adapting a washroom or lavatory for use by disabled persons in a building, or any part of a building used principally by the University for educational purposes, is zero-rated.

- **Residential bathrooms, washrooms and lavatories**

  The supply of providing, extending or adapting a bathroom, washroom or lavatory to the University is zero-rated, where the building is used for residential accommodation.

- **Installation of chair/stair lifts**

  The installation of a chair or stair lift that is designed to be used in connection with invalid wheelchairs will be zero-rated. To qualify for zero rating the chair lift must be exclusively for the use of disabled persons, and not available for general use – HMRC notice 701/7 3:4 & 4:3

- **Installation of vertical lifts**

  The installation or repair and maintenance of an ordinary vertical lift can only be zero-rated provided that it is installed in a residential building in which the
University provides either temporary or permanent residence for disabled people and is installed for the purpose of facilitating their movement between the floors of that building.

- **Preparatory, restoration work and making good**

Where building work described above is eligible for VAT relief, any preparation and necessary restoration work will also be zero-rated.

This would include the preparation of footings (including ground levelling); work linked to providing water, gas, electricity and drainage as necessary and the restoration of the immediate décor.

**Additional construction works**
Where economy and feasibility dictate that a bathroom, washroom or lavatory qualifying for zero rating has to be constructed in or extended into a space occupied by an existing room, the restoration of that room to its original size can be regarded as part of the work essential to the provision of the bathroom and can be zero rated.

**Building materials**
Building materials supplied in connection with the above can be zero rated if supplied by the building contractor in connection with the above qualifying works. Such materials will not be zero rated if bought separately by the University.

**Professional fees**
Services of an architect, surveyor or any person acting as a consultant or in a supervisory capacity even when supplied in connection with a supply of qualifying building services are standard rated unless supplied as part of a single ‘design and build’ type arrangement.

Subsequent work of repair or maintenance in areas where eligible building work was previously carried out is not eligible for relief unless the work involves goods which are eligible for relief in their own right. For example the retiling of a bathroom which was originally provided at zero rate is not eligible for relief but the subsequent repair or replacement of an eligible sanitary device, e.g. commode stools, commode chairs or devices with a warm air drier and bidet jet incorporated, frames or other devices to help sitting on or rising from a sanitary appliance, is eligible for relief.

Further information is available in the **VAT Notice 701/7**.
D.3. Discounts

If an unconditional discount is offered and the discounted amount is paid, the VAT is calculated based on the discounted amount. See the P.8. Prompt payment discounts section for guidance on the VAT position for guidance on settlement discounts.

D.4. DNA

See the section on M.1. Medical Research & Training-Zero rate relief for certain expenditure.

It is the supplier’s responsibility to determine whether or not specific types of service or good qualify for zero rate relief. The University’s role is to certify how the services or goods are being used.

**Purchase of specified sequencing services direct**
This should be standard-rated.

**Purchase of sequencing vouchers for Medical Research projects**
This is a way of pre paying for DNA sequencing and as such would be subject to standard rate VAT irrespective of whether the DNA is to be used for medical research or teaching.

**Purchase of specified primers /oligos direct**
The purchase of primers or oligos direct represents the purchase of DNA materials. Such purchases would be eligible for zero-rating as they would qualify as “substances” if the University intends to use these goods for qualifying medical research or teaching.

**Purchase of oligos / primers vouchers for Medical Research projects**
Where the DNA to be bought using these vouchers is to be used for qualifying medical research purposes a zero rate VAT certificate can be issued.
D.5 Donations

A donation is outside the scope of VAT (tax code SO) provided that it is freely given, with nothing supplied in return. These donations are given for philanthropic reasons and do not place on the University under any obligation.

Where the University provides an insignificant benefit to the donor, such as a minor acknowledgement of the source of the support, a taxable supply will not be created. Examples of this can include naming the donor in a list of supporters in a programme report or other publication, or naming a building or university chair after the donor.

Were the University to display the donor’s logo on the University’s website, marketing material or programmes in recognition of the contribution this would render the income subject to VAT. Similarly, were the University to allow the sponsor to use the University’s name or logo or restrict activities in return for the donation then this should be treated as sponsorship and would be subject to VAT (ST) – see section headed “Sponsorship” later in this document. If the donor receives any special rights eg. reserved places at an event then money received is consideration for a supply of services and VAT would be due.

The following contributions can be treated as donations which fall outside the scope of VAT:

- Income from donors contributing to or funding a post where they are part of the recruitment panel but do not have the final say in who is appointed can be treated as outside the scope of VAT.

- Where a donor has made contributions towards a studentship or towards a particular project or post, the donor may meet the recipients of the funding for stewardship purposes and to understand how the monies had been used without this contribution falling to be treated as taxable.
E

E.1. Education and ‘closely related’ goods/services

The supply of education by the University is VAT exempt. Education in this context means a course, class or lesson of instruction or study, in any subject, whether or not that subject is normally taught in schools, colleges or universities and regardless of where and when it takes place.

Education includes lectures, educational seminars, and conferences, together with sporting and recreational courses. It also includes the provision of distance teaching and associated material if the student is subject to assessment by the University.

Separate charges for registration, examination fees and examination services are part of the provision of education and are also VAT exempt.

In addition to the supplies of education that the University makes and which are exempt from VAT, ‘closely related’ supplies can be similarly exempt from VAT. Services qualifying to be treated as ‘closely related’ include the provision of accommodation, transport, course materials, catering and field trips.

‘Closely related’ supplies made by the University are only exempt if: they are for the direct use of a student; and they are necessary for delivering education to that person. The charge would remain exempt if the student is registered with another University or eligible body.

However, if the University contracts to provide closely related goods or services to another eligible body, rather than direct to its own students, these supplies are exempt only if the body receiving them supplies education in the course or furtherance of business, i.e. it charges a fee.

Education delivered by the University to all customers is exempt from VAT irrespective of whether the customer is a registered student of the University. The exception to this would be where the University is providing educational input to its client who is then delivering courses or training to their client. Unless the University is subcontracted to carry out the entire service, the University will have to charge VAT on its services because in these circumstances the University would not be making a supply of education as it is defined above.

The VAT position of training or courses delivered by means of distance learning would need more careful consideration. Where the University or HBS Ltd is supplying distance learning falling within the definition of electronically supplied services the VAT position is more complex. Please contact vat@reading.ac.uk if you need any further information.

E.2. Electronic & distance learning materials
Income from the sale of CDs, memory sticks and similar materials is subject to standard rate VAT (ST) unless these items are sold to students and are necessary for the delivery of education to that student. If necessary for the delivery of education to that student this income would be exempt from VAT because the supply would be closely related to a supply of education.

Income from the sale of distance learning material supplied by the University will be exempt from VAT unless there is no tutor involvement, no marking of work submitted by the student or qualification achieved on the successful completion of the course. VAT would be due if this were not the case. Where these services were supplied to customers from another country in the EU then there may be a Mini One Stop Shop registration obligation. Please contact the Tax team if this applies to your department.

E.3. Electronically Supplied Services (‘E-Services’)

E.3.1 What constitutes an ‘e-service’?

An e-service is one that is fully automated and involves no or minimal human intervention. Minimal human intervention is interpreted fairly broadly.

E.3.2 What is meant by “no human intervention”?

This is where the sale of the digital content is entirely automatic – for example a customer clicks the “Buy Now” button on website and

- the content downloads on to the customer’s device, or
- the customer receives an automated e-mail containing content.

In both cases these would constitute an e-service.

E3.3 What is “minimal human intervention”?

This is where the sale of the digital content is mostly automatic but the small amount of manual process involved does not change the nature of the supply from an e-service - for example a customer clicks “Buy Now” button on website and

- vendor receives notification and clicks a button, which produces an email pre-populated with the customer’s details and containing content which is sent to the customer; or
o vendor receives notification and clicks a button which produces an e mail pre-populated with the customer’s details. Vendor attaches content and sends customer e-mail by clicking “Send”

In both cases these would constitute an e-service.

E.3.4 When does the “human intervention” exceed “minimal”

This is where the amount of manual process involved in the sale means that the service ceases to be an e-service. In these cases the website functions as a “shop window” for the sale rather than also providing the mechanism by which the sale is made – for example

• a customer clicks “Buy Now” button on website and is added to a list. At end of day the vendor takes list, manually completes an e-mail with each customer’s details, attaches the relevant content and hits “Send”; or
• a customer emails vendor with details of the products they wish to purchase. Vendor manually replies to email and attaches the content.

If staff in the library or other department has to intervene in the service provision of sending images or text then this does not constitute an Electronically Supplied Service.

E.3.5 Distance learning & E-Services

Distance learning such as CPD or online courses would only fall to be treated as E-Services where there is no actual human interaction by way of bespoke feedback on work or marking of work other than a computerised assessment.

E.3.6 E-Services and Mini One Stop Shop

Were the University to supply E-Services it may have an obligation to register under the Mini-One-Stop-Shop (MOSS) arrangements. Please contact the Tax team if you need any further information.

E.4. Eligible body

Broadly speaking, an ‘eligible body’ within the meaning of Schedule 9 of VAT Act 1994 is any organisation which is precluded from distributing any profits it makes. The definition of an eligible body includes schools, universities, colleges, local authorities, government departments, health authorities, charities and certain un-incorporated associations.

The bodies that are eligible to exempt supplies of education are listed in Note 1 to Group 6 as follows.

• UK state and independent schools
- UK Universities and Colleges
- UK Further and Higher Education institutions
- Bodies including charities, which are precluded from distributing and do not distribute any profits they make, and apply any such profits to the continuance or improvement of supplies of exempt education.
- Bodies (that are not one of those above) that provide teaching of English as a foreign language.

Source: VATA 1994 Schedule 9 Group 6

**E.5. Energy saving materials**

The supply and installation of “energy-saving materials” (including items such as draught strips, solar panels, central heating system controls, ground source heat pumps and wind turbines) in residential accommodation is subject to the 5 per cent VAT rate.

The reduced rate of VAT is not available for purchases of such goods bought for installation by the University, it is only available where the goods are installed by a contractor.

**E.5. EORI (Economic Operator Registration and Identification) Number**

The University’s EORI (Economic Operator Registration and Identification) Number is our VAT number followed by three zeros. ie. GB 200 0126 59000.

**E.6. Errors on purchase and sales invoices**

If a supplier sends an invoice on which the VAT is incorrectly calculated, the VAT should not be altered, as the University cannot prove to Customs that the supplier has also corrected it. The supplier should cancel the wrong invoice and issue a replacement.

Where the University has cause to reduce or cancel a sales invoice, which was subject to VAT, then a credit note shall be produced and sent to the customer, along with any replacement sales invoice.

**E.7. European Commission approved bodies (S151)**

Where the University incurs VAT on supplies to an organisation set up by the European Communities to which the Protocol of 8 April 1965 on the privileges and immunities of the European Communities applies, or is otherwise an ‘international body’ established by a treaty between sovereign governments, the University should be able to recover any VAT it incurs which is directly attributable to its supplies to that client.

November 2018
The most common example of an agency the University of Reading deals with falling into this category is the European Space Agency.

Article 151 of Principal VAT Directive 2006/112/EC (formerly Article 15.10 of 77/388/EEC) states “member states shall exempt” the supply of services to such bodies, and therefore where the University engages to supply these entities the supply will not be subject to VAT. Where Article 151 applies then Article 169 goes on to confirm that the supplies are exempt from VAT with credit (i.e. tax code SZ should be used).

VAT on expenditure related to such income can be reclaimed if a certificate is obtained. To recover VAT on such expenditure the University must obtain and retain a ‘certificate of entitlement’ which uniquely identifies this particular project as eligible for relief and qualifies for entitlement under Article 15(10) of EC Council Directive 77/388/EEC. (This has now been superseded by Article 151 of the Council Directive 2006/112/EC). In addition, it is necessary for the person placing the order to be based in an office of the international organisation in an EC Member State other than the UK. Further details on the conditions can be found in section 14.5 of HMRC guidance notice 725.

Assuming the conditions above are satisfied, the University will be able to recover the VAT on this spend and the project code will be set up as fully recoverable.
E.8. European Union members

The following countries are members of the EU. Sales of goods and services to VAT registered customers in the EU can generally be treated as intra EU sales (tax code SE 0% VAT). Sales invoices to such customers must quote their VAT registration number. The customers would then have to account for VAT on such transactions in their country.

<table>
<thead>
<tr>
<th>Country</th>
<th>Code</th>
<th>VAT # Example</th>
<th>VAT # Make up</th>
<th>VAT in local languages</th>
</tr>
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<tbody>
<tr>
<td>Austria</td>
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<td>U followed by 8 digits in 1 block</td>
<td>USt</td>
</tr>
<tr>
<td>Belgium</td>
<td>BE</td>
<td>123456789</td>
<td>9 digits</td>
<td>BTW, TVA, NWSt</td>
</tr>
<tr>
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<td>ДДС</td>
</tr>
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</tr>
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<td>8 digits followed by an alpha character</td>
<td>ΦΠΑ</td>
</tr>
<tr>
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</tr>
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<td>8 digits</td>
<td>moms</td>
</tr>
<tr>
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<td>9 digits</td>
<td>km</td>
</tr>
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<td>8 digits</td>
<td>ALV, Moms</td>
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<tr>
<td>France</td>
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<td>11 digits however sometimes preceded by 1 or 2 alpha characters</td>
<td>TVA</td>
</tr>
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<td>9 digits</td>
<td>MwSt., Ust.</td>
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<td>8 digits</td>
<td>ÁFA</td>
</tr>
<tr>
<td>Ireland</td>
<td>IE</td>
<td>12345678X or 1X34567X</td>
<td>8 characters including 1 or 2 alpha characters either last or second to last</td>
<td>CBL, VAT</td>
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<td>11 digits</td>
<td>PVA</td>
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<td>PVN</td>
</tr>
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<td>Code</td>
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<td>VAT # Make up</td>
<td>VAT in local languages</td>
</tr>
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<td>---------------</td>
<td>---------------</td>
<td>------------------------</td>
</tr>
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<td>9 or 12 digits</td>
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</tr>
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<td>8 digits</td>
<td>TVA</td>
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<td>10 digits</td>
<td>PTU, VAT</td>
</tr>
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<td>9 digits</td>
<td>IVA</td>
</tr>
<tr>
<td>Romania</td>
<td>RO</td>
<td>0123456789</td>
<td>2 to 10 characters</td>
<td>TVA</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>SK</td>
<td>123456789/0</td>
<td>9 or 10 digits</td>
<td>DPH</td>
</tr>
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<td>12345678</td>
<td>8 digits</td>
<td>DDV</td>
</tr>
<tr>
<td>Spain</td>
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<td>9 characters including 1 or 2 alpha characters wither first, last or first and last</td>
<td>IVA</td>
</tr>
<tr>
<td>Sweden</td>
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<td>12346789012</td>
<td>12 digits</td>
<td>Moms</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>GB</td>
<td>1234 567 89</td>
<td>9 digits with spaces after the fourth and seventh</td>
<td>VAT</td>
</tr>
</tbody>
</table>

None of the following are part of the EU for VAT purposes
- Canary Islands, Jersey, Guernsey, Northern Cyprus

If you have any doubt or query about a VAT number provided by a customer please contact vat@reading.ac.uk.

**E.9. Examination services**

Supplies of examination services by a University and other eligible bodies are VAT exempt (SX). Supplies of examination services covers: the setting and marking of exams; setting educational or training standards; making assessments; and other services provided with a view to ensuring educational and training standards are maintained. The following are also examination services: course accreditation services, validation, certification (including issuing duplicates), registering candidates.

Under HMRC’s VATEDU45500 rule examination services supplied by a non-eligible body are also exempt if either:

November 2018
- the recipient of the examination service is an eligible body; or
- the recipient of the examination service is an individual receiving education or vocational training that itself is either exempt or non-business.

E.10. Exhibition stands

Until November 2012 HMRC regarded the supply of specific stand space at an exhibition or conference as a supply of land and therefore exempt from VAT. This will continue only in very restricted circumstances where the service is restricted to the mere supply of space without any accompanying services. Accompanying services provided as part of a package includes such things as the design and erection of a temporary stand, security, power, telecommunications, hire of machinery or publicity material.

Exhibition stand space is normally provided with accompanying services as a package, this is no longer seen as a supply of land with land related services and therefore VAT exempt but is subject to VAT under the general place of supply rule. This will mean that reverse charge VAT will be applied on such stands when in the EU or overseas. VAT will also be charged on such services in the UK.
F

F.1. Field and student trips

If the University charges students for a field trip or a visit to an off-campus location as part of the educational content of the course, then any fees for the trip are exempt from VAT as they qualify as closely related to the supply of education.

However, VAT would be due on charges for trips for recreational purposes which are optional and outside the educational programme of the course. Please contact the Tax team if you are accounting for any such trips.

F.2. “Free” services

If the University provides consultancy or other services in return for the use of equipment or similar, there will be VAT due. The University will have to pay HMRC VAT on the value of the consultancy provided. The supplier providing the equipment will similarly have to account for VAT on the equipment supplied. If you have any transactions like this please contact the Tax team. See also “Barter transactions” in section B.

F.3. Fuel and power

The University uses fuel and power for relevant residential purposes (i.e. for student accommodation) and also for relevant charitable purposes (i.e. carrying out grant-funded research other than in the course of business). If the proportion of use of a gas or electricity for relevant residential and relevant charitable use is over 60% of the total use, the supplier can apply the reduced rate (5%) to the whole charge.

If less than 60 per cent of the fuel or power is for non-business use VAT will be charged pro rata – that is, at the reduced rate on that portion which is for non-business use and at the standard rate on that portion which is for business use.

F.4. Fundraising

Income from fundraising events run by either the University or by RREF Ltd will normally fall under an exemption for charities which allows the holding of up to 15 events of the same kind in the same location each year without them becoming liable for VAT. However, if this threshold is exceeded, VAT will be payable on every event.
As they are not charities, HBS Limited and Thames Valley Science Park Limited are not eligible for the same relief.

To qualify, the event must be for the primary purpose of fundraising. PR or awareness-raising events will not fall under the exemption. To ensure the fundraising exemption applies tickets, leaflets, posters and other promotional material must make it clear that the event is being staged to raise funds for charity.

Events, such as a social occasion which may, or may not make a profit do not qualify for the relief. However, an event which is clearly a fund-raising event but makes a loss merely through lack of success would still qualify. If an event qualifies for the VAT exemption, then the exemption is mandatory. You can't charge VAT on supplies that are normally taxable at the standard rate, and you therefore won't be able to recover any VAT you pay out on purchases you make in connection with such events.

The relief enables all income generated from the supply of goods or services at or in connection with a fundraising event to be exempt from VAT. This will include ticket sales, admission charges, advertising space in programmes/brochures, merchandise, bar and catering supplies and sponsorship income directly connected with the event.

However, goods that are normally zero-rated, such as brochures, books and the supply of advertising time or space to a charity can still be zero-rated even when sold at a qualifying event. This means that the University will be able to recover the VAT paid on purchases relating to those zero-rated sales. To recover this VAT a separate Agresso project code would be required, please contact vat@reading.ac.uk if you have any questions.

Examples of types of fundraising events which promoted as such, qualify for exemption are as follows:

- a ball, dinner dance, disco or barn dance
- a performance e.g. concert, stage production, film etc.
- an exhibition – such as art, history or science
- a dinner, lunch, or barbecue
Evidence to show that the event qualifies for exemption
There is no single document that you must hold to demonstrate that the event was organised primarily to raise funds. Minutes of meetings, costing and similar documents should show that the main purpose for holding the event is to raise funds for charitable purposes or a qualifying body's own benefit. Such documents may be requested by HMRC in the event of an inspection.

The event must be promoted in such a way that those attending the event are aware that its main purpose is to raise funds. Publicity material, tickets etc., should therefore clearly refer to fundraising.

For example:
'fundraising for'
'in aid of'
'help us to build'
'help us to raise money for'

Examples of publicity material, tickets etc., should be retained to support evidence of exemption.
G

G.1. Garage lets

Income from the rent of garages in conjunction with a flat, room or house for residential accommodation is exempt from VAT. However, charges for letting a garage for storage or business use are standard-rated. Income from garages or facilities specially designed for parking is standard-rated.

G.2. Grant income

Grant income is outside the scope of VAT (tax code SO). However, income will not qualify as outside the scope of VAT if the funding is conditional on a service being provided in return for the monies. Some benefits the grantor receives are accepted as being incidental to the supply of the grant, e.g. the provision of reports and accounts to the funder for stewardship purposes, demonstrating that the grant has been put to its intended use. Additional benefits for the donor would indicate that there may a taxable supply (ST). Please contact the Tax team if you need any clarification.
H

H.1. Hire of equipment

VAT is due where an external client is charged for the hire of equipment. Where a client is charged for the hire of a room which includes the use of equipment and this equipment is merely incidental to the main supply in terms of value this transaction is treated as a single supply of the room and exempt from VAT (unless there is an option to tax on the building in which case VAT would be due – see O.1 Option to Tax).

H.2. Honoraria received

The VAT treatment of income from honoraria will depend on the nature of the work that the person who has undertaken the work in respect of this honoraria has been doing for the external organisation. If the person has provided advisory or consultancy support then this income would be subject to VAT. If, however, the work has been to provide training or lecturing then this would generally be treated as the provision of education and exempt from VAT unless the customer is not another University and that customer is then delivering education to their students.
I

I.1. Internal recharges

There is no VAT due on internal recharges. When internal charges are made between Departments or Schools, the transactions should be entered with a tax code of 0. Typical examples would be recharges from central catering or the design and print unit.

However, when departments charge University subsidiaries or related entities e.g. Henley Business School Limited, Reading Real Estate Foundation Limited, Thames Valley Science Park Limited, the College of Estate Management Ltd, a VAT invoice must be raised. Charges to these entities should be treated in the same way as any other external client.
J

J.1. Jersey and Guernsey

Sales to or purchases from clients or suppliers in Jersey and Guernsey should be treated as if they were transactions with clients or suppliers from outside the EU. There are special rules covering both Jersey and Guernsey and businesses there are not within the EU for VAT purposes.
L

L.1. Laundry charges

If a charge for laundry is included within the fee to a student for residential accommodation then no VAT is due on this element of this charge. However, if a separate charge for laundry is levied, this charge is taxable at the standard rate.

L.2. Letting of rooms (excluding conference facilities)

The letting of rooms for educational purposes, e.g. lectures and courses is exempt unless there is an option to tax on the building. Options to tax are only in place on a limited number of buildings (see Option to Tax heading in this document.)

Where separate charges are made for the use of equipment this element of the invoice is subject to VAT. However, if instead the charge for the room includes the use of incidental equipment e.g. a PC and AV equipment the charge would be exempt from VAT.

The letting of rooms for the purpose of a supply of catering, e.g. halls for weddings, dinners, parties etc., is taxable. B&B accommodation is also subject to VAT unless provided to a student.

Lettings of sports facilities are not exempt from VAT. Such lettings are subject to standard rate VAT unless ‘block booking’ or ‘24 hour’ conditions are met.

As explained above, room hire is generally exempt from VAT. However, charges for room hire in buildings with an option to tax in place would be subject to standard rate VAT. A list of the properties on which options to tax have been made is given below:-

Properties let to tenants:-
- Students’ Union and Nursery
- Science and Technology Centre
- Enterprise Centre

Properties sold and leased back by the University:-
- Language Resource Centre
- Food Science Building
- Soil Science
- ICMA Centre
- New Agriculture Building
- Phillip Lyle building

Other options to tax:-
• Thames Valley Science Park
• Eastern Relief Road and Shinfield West
• Site of Sibly Hall Aerial
• Manor site
• Cutbush Lane
• Willington Down Farm

For letting of conference facilities, please refer to the section on Conference facilities above.
Notice 742

L.3. Library services

The supply of printed matter by Universities is taxable at either the standard (ST) or zero-rate (SZ), depending upon its nature. Materials sold only to the University’s students, qualifying as ‘closely related to the supply of education’, are exempt (SX), although when closely-related goods and services qualify for zero-rating they may be treated as either zero-rated or exempt. If the University lends or hires a zero rated article including books any hire charge should also be zero rated. The income from lending CDs or other electronic media will be subject to VAT (tax code ST).

The sale of photocopied material is standard rated (ST), except where the supply is to the University’s students for an educational purpose (SX).

If the University sells licences to third parties, allowing them access to print copies of our publications, then these are a standard-rated supply and VAT should be charged.
**M.1. Medical Research & Training—Zero rate relief for certain expenditure**

The University, as a charity, is eligible for zero-rate relief on certain purchases/imports of goods and services related to medical/veterinary research, training, diagnosis or treatment. The reliefs available are explained further below. A list of qualifying and non-qualifying items is given in the Medical/Veterinary Research Annex to this document.

**M1.1 Equipment qualifying for zero rate relief**

The University is able to claim zero rate relief from VAT on its purchase, import, lease or hire of the following types of equipment where it is to be used mainly (i.e. >50% use) for medical or veterinary research, training, diagnosis or treatment.

- Medical equipment,
- Veterinary equipment,
- Computer equipment and certain software,
- Video equipment,
- Sterilising equipment,
- Refrigeration equipment
- Laboratory equipment and
- Scientific equipment.
- Parts and accessories for use in or with any of the above equipment
- The repair, maintenance and installation of qualifying goods.

**Medical equipment** is equipment that has features or characteristics that identify it as having been designed for a medical (including dental) purpose or function, such as the diagnosis or treatment of patients. This covers a wide range of goods, from simple items like bandages and tongue depressors, to complex machinery such as x-ray machines and scanners. General use items used to equip a medical facility, such as a television purchased for use in a hospital ward, are not medical equipment.

**Scientific equipment** is equipment designed to perform a scientific function. This includes precision measuring equipment and analytical equipment such as thermometers, weighing machines and spectrometers.

Equipment that is not designed to perform a scientific function, but merely works on a scientific principle, is not scientific equipment.

Further information about qualifying equipment is contained in Annex 5 to this guide.
M 1.2 Mainly used for medical/veterinary research etc.

Where the equipment is intended to be used partly for a qualifying use, and partly for any other use, it can be zero-rated only where its **main use** is one of medical or veterinary research, training, diagnosis or treatment. In this context 'main' means real, substantial and continuing - this is generally taken to mean that over 50% of the use is for qualifying purposes.

Medical, scientific, computer, video, sterilising, laboratory, or refrigeration equipment purchased for any other use is not eligible for zero-rating. This includes equipment purchased or hired for:

- general biological studies;
- environmental research;
- research into animal husbandry or food production;
- general administration; or
- domestic or leisure purposes.

M 1.3 What qualifies as equipment?

**Equipment** is articles designed or used for a specific purpose. It will usually be durable, although certain disposable items, such as syringes that are designed to be used once only, may still be equipment.

The following items are not equipment and do not qualify for zero-rating, even when supplied to, or for donation to, an eligible body:

- bulk materials such as liquids, powders, sheets, pellets, granules;
- clothing (other than specialist medical equipment such as surgical masks, gowns and gloves); and
- consumables, such as chemical reagents, fuel, ink, medicines, oil, paper, and cleaning and sterilising fluids. However, medicines and chemical reagents may qualify for zero-rating under a separate relief for Medicinal Products.

M 1.4 Medicinal products for medical/veterinary use etc. & zero rate relief

As a charity the University is entitled to zero rate relief on the purchase or import of medicinal products solely used in medical or veterinary research, treatment or care.

A ‘medicinal product’ is a substance presented as a medicine, or an ingredient for a medicine, capable of being administered to people or animals for a medicinal purpose. The zero rate
covers medicinal products purchased by a charity for the purpose of testing the efficiency of those products.

‘Medicinal purpose’ means:

- treating or preventing disease;
- diagnosing disease, or ascertaining the existence or degree of a physiological condition;
- contraception;
- inducing anaesthesia;
- otherwise preventing or interfering with the normal operation of a physiological function, whether permanently or temporarily, and whether by terminating, reducing or postponing, or increasing or accelerating the operation of that function, or in any other way.

This relief on medicinal products is restricted to medical care, diagnosis, treatment or research and, unlike equipment, does not extend to medical training.

M 1.5 Substances used for medical or veterinary research etc.

Relief is also available to the University, as a charity, on substances purchased or imported for direct use in the synthesis or testing in medical or veterinary research. Unlike equipment this relief is not available where the substances are used for medical or veterinary training. Unlike medicinal products, this relief is also not available for medicinal care or diagnosis. A ‘substance’ can be natural or artificial, and can be in solid or liquid form or in the form of a gas or vapour. If the substance is purchased in the form of gas the zero-rating will also apply to the cylinder rental.

M 1.6 Computer software

Computer software would also qualify when used solely for medical or veterinary research, training, diagnosis or treatment.

M 1.7 Definition of Medical or Veterinary research

Medical or veterinary research is defined as being original systematic investigations undertaken in order to gain knowledge and understanding of the treatment or palliation of a physical or mental abnormality in humans or animals. It also includes the use of existing knowledge and experimental development to produce new or substantially improved materials, services, products and processes including design and construction.
M 1.8 Equipment costing >£50,000

Where equipment has been bought under the medical zero rating relief, unless it has been purchased exclusively for the purposes of medical research, the department which bought the equipment must keep a written log of actual usage. This log is required to demonstrate that the proportion of actual usage applied for a qualifying purpose is in excess of 50%. The log should record the actual hours of usage, the specific project (including the project code) and indicate whether the activity is medical research or other. Each entry should be signed by the operator. The log should be reviewed and signed by a senior member of staff responsible for the research on a monthly basis to ensure that the log is being properly maintained. The log should be retained for at least 5 years and should be available for inspection at any time.

If at any time the equipment ceases to be used mainly for a qualifying purpose, the VAT team should be advised as a liability to VAT may then arise.

M 1.9 Ineligible items

Ineligible items include general use items used to equip a medical facility or laboratory and a range of other items. A more extensive list is given as an appendix to this document.

- television purchased for use in a hospital ward or microwaves,
- air conditioners
- standard camera equipment and films
- catering equipment
- ordinary cupboards
- lockers
- laboratory furniture including seats and desks unless they are specialised for a scientific purpose—please discuss with the Tax team to ensure the exception is applicable
- consumables such as chemical reagents, fuel, ink, medicines, oil, paper, and cleaning and sterilising fluids. (However, medicines and chemical reagents may qualify for zero-rating under the medicinal products relief outlined above).
- stationery
- audio equipment e.g. tape recorders
- laboratory animals

How to claim zero rate medical relief

When an order for qualifying goods or services is placed, the tax code PM must be selected. This will automatically generate a purchase order incorporating a zero rate certificate for issue to the supplier. If the incorrect tax code has been selected and you have been incorrectly billed VAT please contact the Tax Team.

M.2. Museum

November 2018
VAT Refund Scheme for national museums and galleries
(S33A of the VAT Act 1994)

Museums and galleries offering free access are not regarded as being engaged in any business in relation to this activity. They may, of course, have other activities that in their own right are business activities, for example, catering, sales of books and gifts and exhibitions for which there is a charge.

Ordinarily, it is not possible to recover the VAT incurred on goods and services purchased to support non-business activities. Thus VAT incurred in connection with the free admission of the public is not normally recoverable.

However, under S33A of the VAT Act 1994 the Government will reimburse this otherwise irrecoverable VAT. For this to be the case, the provisions of section 33A of the VAT Act 1994 must apply, and the museum or gallery must be named in an order made by HM Treasury.

The following museums operated by the University are all covered by the above scheme:

- Cole Museum of Zoology
- Museum of English Rural Life
- Ure Museum of Greek Archaeology

Where you admit the public free of charge to view the principal collections in your museum or gallery, you will be able to reclaim the VAT you have incurred on:-

- items and collections on display
- goods and services necessary for their upkeep
- upkeep of the part of the building (including common areas) in which they are housed, and
- provision of free information in relation to the items or collections on display, including advertising and other promotional material
0

0.1. Option to tax

An option to tax allows the University to recover VAT on the construction and maintenance costs associated with a property. VAT must be charged on any rental income derived from buildings on which an option to tax is in place.

<table>
<thead>
<tr>
<th>Bldg Ref</th>
<th>Land/Building covered by Option to Tax</th>
<th>Effective from</th>
</tr>
</thead>
<tbody>
<tr>
<td>W054</td>
<td>Science and Technology Centre</td>
<td>24/05/02</td>
</tr>
<tr>
<td>W201</td>
<td>Enterprise Centre</td>
<td>23/02/11</td>
</tr>
<tr>
<td>A214</td>
<td>Manor Site</td>
<td>02/04/14</td>
</tr>
<tr>
<td></td>
<td>(formerly A045)</td>
<td></td>
</tr>
<tr>
<td>A999</td>
<td>Cutbush Lane Site</td>
<td>01/09/14</td>
</tr>
<tr>
<td>E007</td>
<td>Sibly Hall Aerial</td>
<td>19/07/12</td>
</tr>
<tr>
<td>A999</td>
<td>Shinfield West, Eastern Relief Road</td>
<td>30/10/14</td>
</tr>
<tr>
<td>W029</td>
<td>Students’ Union, Nursery and Park House</td>
<td>11/01/99</td>
</tr>
<tr>
<td>A999</td>
<td>Thames Valley Science Park</td>
<td>30/1/15</td>
</tr>
<tr>
<td></td>
<td>TVSP Ltd also has an option to tax in place of the Science Park</td>
<td></td>
</tr>
</tbody>
</table>

Options in place on properties constructed by UoR and then leased to AFT Trust on full repairing leases. VAT on expenditure incurred as a tenant on the following properties cannot be recovered.

<table>
<thead>
<tr>
<th>Land/Building covered by Option to Tax-AFT</th>
<th>Date option granted</th>
</tr>
</thead>
<tbody>
<tr>
<td>W042 Language Resource Centre</td>
<td></td>
</tr>
<tr>
<td>W047 Food Biosciences Building</td>
<td></td>
</tr>
<tr>
<td>W058 Meteorology</td>
<td></td>
</tr>
<tr>
<td>W070 Russell building (formerly Soil Science building)</td>
<td></td>
</tr>
<tr>
<td>W071 ICMA Centre</td>
<td></td>
</tr>
</tbody>
</table>
An option can only be revoked within 6 months of an option being made or after 20 years since the option first took effect.

Copies of the Option to Tax are held by Finance. Recent confirmations are also sent to Estates and Facilities for information.
O.2. Organisational structure

The University has a number of related companies and entities. Some of these are listed below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Status</th>
<th>Relationship to UoR</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Reading</td>
<td>UK</td>
<td>University &amp; Eligible Body</td>
<td></td>
</tr>
<tr>
<td>Henley Business School Limited</td>
<td>UK</td>
<td>Subsidiary of the University</td>
<td>Trading subsidiary</td>
</tr>
<tr>
<td>Henley Business School GmbH</td>
<td>Germany</td>
<td>Subsidiary of the University</td>
<td>Trading subsidiary</td>
</tr>
<tr>
<td>University of Reading Finland</td>
<td>Finland</td>
<td>Branch of the University</td>
<td>Not a separate legal entity, part of the University</td>
</tr>
<tr>
<td>The University of Reading Science &amp; Technology Centre Limited (UoRSTC)</td>
<td>UK</td>
<td>Subsidiary of the University</td>
<td>Not trading</td>
</tr>
<tr>
<td>Thames Valley Science Park Limited</td>
<td>UK</td>
<td>Subsidiary of the University</td>
<td>Trading subsidiary</td>
</tr>
<tr>
<td>Henley Management College (1945) Limited</td>
<td>UK</td>
<td></td>
<td>Not trading</td>
</tr>
<tr>
<td>Henley Business Angels Limited</td>
<td>UK</td>
<td>Subsidiary of the University</td>
<td>Trading subsidiary</td>
</tr>
<tr>
<td>Reading Real Estate Foundation (RREF)</td>
<td>UK</td>
<td>Registered charity</td>
<td>Related but no direct connection between the University and RREF</td>
</tr>
<tr>
<td>RUMAL Reading Sdn. Bhd.</td>
<td>Malaysia</td>
<td>Subsidiary of the University</td>
<td>Trading subsidiary</td>
</tr>
<tr>
<td>Henley Business School (Hong Kong) Limited</td>
<td>Hong Kong</td>
<td>Subsidiary of the University</td>
<td>Not trading</td>
</tr>
<tr>
<td>Henley Business School (South Africa)</td>
<td>South Africa</td>
<td>Branch of Henley Business School Limited</td>
<td></td>
</tr>
<tr>
<td>Reading University Students' Union</td>
<td></td>
<td>Registered charity number 1158523</td>
<td>Related but no direct connection.</td>
</tr>
</tbody>
</table>

O.3. Overseas agents

A University will often engage an agent to recruit students on its behalf. This agent is often paid on a commission basis. The agent sometimes collects fees on behalf of the University and then deducts its commission and pays the net amount to the University and in other arrangements the agent will not be involved in collection of fees but will invoice the University for its work. Where that agent is based outside the UK and is recruiting students from outside the UK, the University will have to pay HMRC 20% reverse VAT on the amounts charged by these agents.
The agents provide a range of services:

- Assisting students with choosing courses
- Assisting students with enrolment
- Assisting students with visas etc.
- Assisting education provider with collecting fees
- Representing the University to market and promote its courses
- Assisting the education provider with collecting fees from students

These services are generally considered a single service rather than multiple supplies.

Following a court decision we are required to treat VAT on overseas agents costs as irrecoverable.

**O.4. Overseas government training – applies to HBS Ltd. only**

An extra-statutory concession allows the zero rating of training services that are supplied in the UK to overseas governments for the purpose of their sovereign activities. This relief is intended for the training in the UK of overseas government officials, public servants, the police and other bodies answerable to the government concerned, where the fees would otherwise be subject to VAT. It does not extend to training that is provided by a university since this is exempt from VAT. However, subsidiary companies are not eligible to exempt supplies of training so this zero rate relief is only available to the University’s subsidiaries.

When applying the concession, a written statement should be obtained from the overseas government confirming that the trainees are employed in furtherance of its sovereign activities.

**O.5. Overseas sales and purchases (see also Place of supply rules & Customs Duties)**

**O.5.1 Export of GOODS outside the EU**

A supply of goods outside the European Union is zero-rated (tax code SZ). It is important that evidence of proof of export is kept. This proof of export must be held for 6 years.
O.5.2 Import of GOODS from another EU country

When the University is buying goods from another EU Member State, the supplier should not charge the University VAT if the tax code PE has been selected. A supplier will be issued with a purchase order quoting the University’s VAT registration number. The supplier can then use this number to bill the University without VAT. It is important to check that the EU supplier has not charged VAT in error – ie French supplier may apply French VAT to an invoice in error.

Where goods are imported from another EU country reverse charge VAT will be charged to your project code in the month following the original transaction.

Sale of goods/services to VAT registered business in the EU

Where selling goods/services to a VAT registered client in the EU the University should, in most cases, use VAT code SE (Sales European 0% VAT). This client will then have to account for VAT in their country to their tax authorities at the rate applicable in that country. This is because the “place of supply” is the country in which the client is based. The client’s VAT registration number must be quoted on the invoice and the invoice must include a statement, “subject to reverse charge VAT”. Proof of export must be retained for 6 years.

If selling goods or services to any of the following then use the tax code you would have used had the sale been to a UK customer.

- an individual resident in the EU
- an individual resident overseas or
- a non VAT registered customer in the EU

To illustrate this point, if the goods sold were to be a book then the tax code would be SZ (zero rate, 0%) and if supplying electronic material then the tax code would be ST (standard rate, 20%).

Sale of services to a customer outside the EU

For supplies of services to a customer outside the EU the VAT code is generally SO unless the place of supply is deemed to be the UK or the customer is an individual rather than a business.
Exceptions to the rule

Generally the place of supply, i.e. where VAT needs to be accounted for, is determined by where the customer belongs, unless the customer is not VAT registered in which case it is determined by where the supplier belongs. There are a number of exceptions including:

- Land related services
- Where performed services
- Services of consultants, advertising, supplies of rights etc.

For **land related service** eg. hotel accommodation, VAT is due in the country where the accommodation is provided.

**“Where performed services”** includes admission to educational or cultural events, again any VAT due would be due in the country that the event takes place and the rate would be determined by the tax authorities in that country.

When supplying **consultancy or advertising** services to a VAT registered business, VAT is due in the country where that business is registered for VAT. However, unlike other services, where consulting or advertising services are supplied to an individual or an entity which is not VAT registered then VAT is due in the country where that individual is rather than, as is generally the case, where the supplier is based.

**Buying in services from overseas suppliers**

Where buying in services from an EU supplier which would have been subject to VAT in the UK, VAT should not be charged by that supplier as they will receive the University’s VAT registration number on the relevant purchase order. However, under the reverse charge procedure, VAT will be charged to the relevant account and project by journal in the month following the original transaction. There will be certain exceptions to this but generally VAT will be due.

Where buying in services from a supplier from outside the EU which would have been subject to VAT had the supplier been based in the UK, reverse charge VAT will be due. This reverse charge will be charged to the account and project code used for the original transaction in the month following receipt of the invoice.
P

P.1. Photocopying income

Charges to students for photocopying are exempt if supplied for an educational purpose. Any other photocopying is standard rated unless the charge is for a duplicate of a brochure or book in which case this is zero rated.

P.2. Place of supply rules (POS)

The POS rules aim to ensure that, as far as possible, VAT is due in the country in which the services or goods are consumed rather than where the supplier is established. As a result the University is liable for VAT on most goods / services provided by their suppliers in other countries which are members of the EU under the reverse charge mechanism (See section Reverse Charge for more guidance).

These rules distinguish between B2B (Business to Business) and B2C (Business to Customer) supplies. VAT registered businesses fall within the B2B group and individuals and non VAT registered businesses fall to be treated as B2C.

General rule for place of supply

The general rule for place of supply is given below and would apply unless the supply fits into one of the specific exceptions explained on the next page.
<table>
<thead>
<tr>
<th>GENERAL RULE</th>
<th>B2B (Business to Business)</th>
<th>B2C (Business to Customer)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>i.e. VAT registered businesses</td>
<td>i.e. (individuals/non VAT registered businesses)</td>
</tr>
<tr>
<td>Place of supply</td>
<td>Where the customer belongs</td>
<td>Where the supplier belongs</td>
</tr>
<tr>
<td></td>
<td>i.e. if customer is in France then VAT would be due in France to the French tax authorities.</td>
<td>i.e. if supplier is based in the UK then VAT would be due in the UK irrespective of where the client is located.</td>
</tr>
<tr>
<td>Invoicing requirements</td>
<td>Need to quote the customer’s VAT registration no on the invoice and state “this supply is subject to reverse charge VAT”. Use tax code SE.</td>
<td>Apply tax codes in same way as if client were in the UK.</td>
</tr>
</tbody>
</table>
Exceptions to general rule for place of supply

<table>
<thead>
<tr>
<th>LAND RELATED SERVICES</th>
<th>B2B</th>
<th>B2C</th>
</tr>
</thead>
<tbody>
<tr>
<td>e.g. building, surveying, hotel accommodation</td>
<td>Where the land is. i.e. place of supply is the UK if the land is in the UK. So charges for hotel accommodation in the UK to a French customer would be subject to UK VAT.</td>
<td>Where the land is. (As for B2B)</td>
</tr>
<tr>
<td>WHERE PERFORMED</td>
<td>B2B</td>
<td>B2C</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>1. ADMISSION TO EVENTS (and ancillary services)</td>
<td>Where the event is. i.e. if the event takes place in the UK then UK VAT is due in line with UK VAT rules.</td>
<td>Where the event is. (As for B2B) If the event is in the UK then UK VAT is due – use tax code ST.</td>
</tr>
<tr>
<td>2. Other services related to EDUCATIONAL OR SCIENTIFIC ACTIVITIES AND ANCILLARY SERVICES</td>
<td>General rule- where the customer is. i.e. if customer is in Germany &amp; VAT registered there use tax code SE, if the customer is in USA use tax code SO.</td>
<td>Where the activities take place. If the event is in the UK then UK VAT is due – use tax code ST.</td>
</tr>
<tr>
<td>3. Other services related to CULTURAL, ARTISTIC, SPORTING, ENTERTAINMENT OR SIMILAR ACTIVITIES</td>
<td>General rule - where the customer is. i.e. if customer is in Germany &amp; VAT registered there use tax code SE, if the customer is in USA use tax code SO.</td>
<td>Where the activities take place. If the event is in the UK then UK VAT is due – use tax code ST.</td>
</tr>
</tbody>
</table>
Consultancy, advisory & advertising

<table>
<thead>
<tr>
<th>Place of supply</th>
<th>B2B</th>
<th>B2C</th>
</tr>
</thead>
<tbody>
<tr>
<td>General rule-where customer is.</td>
<td></td>
<td>General rule i.e. where supplier is unless customer belongs outside the EU.</td>
</tr>
</tbody>
</table>

Other exceptions to the general rule are not explained here but include electronically supplied services, telecoms and broadcasting services, passenger transport, transport of goods and related services, restaurant and catering services, hiring of goods.

All income the University receives from the supply of education or closely related services is exempt from VAT (tax code SX) regardless of where the customer is from or who they are. All income from grants or donations is outside the scope of VAT (Tax code SO) regardless of where the sponsor/donor is or who they are.

Please contact the Tax team for further information on the place of supply rules.

**P.3. Postage and delivery charges**

If the University sells goods and the delivery charge is part of the contract then the VAT liability of the delivery charge follows that of the main supply e.g. the University is selling a book and delivery is included then zero rate VAT would applies to both the income from the sale of the book and the delivery charge (SZ). However, if delivery is not part of the contract then the delivery charge is deemed to be a separate supply and VAT would be chargeable on the delivery charge (ST).

The sale of stamps by the University is exempt for VAT purposes providing that the stamps are sold at face value or below.
**P.4. Profit sharing arrangement**

The VAT status of income from a profit sharing arrangement will be determined by the nature of any underlying supply. Please contact vat@reading.ac.uk if you are considering such an arrangement.

**P.5. Pro-forma invoices/requests for payment**

Where payment is made to a supplier on the basis of a pro-forma invoice or cash with order, the department must ensure a tax invoice is obtained and forwarded to the VAT team, clearly marked “For information only DO NOT pay”. Proforma invoices are issued by suppliers who are set up to account for VAT on receipt of payment rather than at the point an invoice is issued. The final tax invoice will then be used to recover VAT on costs incurred where that is possible.

**P.6. Printing and publications**

See section on books and publications.

**P.6. Project codes**

Every project code is set up on Agresso with a Tax System which automatically governs how the VAT paid on purchases is treated. It is therefore important to set up separate project codes for different activities and to record transactions against the relevant project code. Recording expenditure incurred on a commercially sponsored activity on a departmental administration project code would result in unnecessary VAT costs.

The tax system is assigned by the VAT team based on information supplied in relation to the purpose of the project. This tax system can be seen on Agresso and appears under the heading TS. There are four Tax System codes and only one of them can be attached to any one project. The tax systems are explained below:

- **Fully Recoverable (FR)** - these projects can only be used for taxable activities or Framework 5/6 (FP) contracts or for projects qualifying under S151 (see section E.5. European Union members). VAT paid on expenditure coded to these projects is automatically reclaimed and treated as fully recoverable.

- **Partially recoverable (PR)** - these projects will account for sales, or supplies of services, some of which are exempt and some taxable OR the project will be used for administrative costs within a school or department which carries out taxable research. Therefore VAT paid on purchases is partially recoverable.
Irrecoverable (IR) - these projects will account for exempt sales, or supplies of services only. Therefore VAT paid on purchases is irrecoverable.

EU Framework 7 projects (ER) – see below for explanation.

When a project is set up with a tax system Fully Recoverable (FR), only the Net Cost excluding any VAT will be charged to the project. When a project is Partially Recoverable (PR) or Irrecoverable (IR) the Gross Cost including VAT will be charged to the project.

VAT on EU Framework 7 (referred to as FP 7) contracts with the EU is not recoverable and will be charged to nominated departmental administration projects. VAT on expenditure charged to these projects must be excluded from grant claims. Where VAT is separately identified using tax code PP, this VAT will automatically be extracted from these projects.

The European Commission’s EU Horizon 2020 Framework Programme for Research and Innovation programme allows the University to reclaim any VAT that the University cannot otherwise recover. The VAT inclusive amount will be charged to Horizon 2020 projects and this VAT will be reclaimed from the EU.

P.8. Prompt payment discounts

Prior to 1 April 2015 if a supplier offered a prompt payment discount the company would only have to account for VAT on the discounted amount rather than the full price irrespective of whether the person took advantage of the discount or not.

E.g. a supplier offered an early settlement discount of 5% for customers who pay within 14 days. They charge £100 (net of VAT) and invoice us £100 plus £19 VAT (not £20 VAT). In other words, they apply the 5% discount to what would normally be £20 of VAT.

However from 1 April 2015, suppliers have to account for £20 VAT i.e. the VAT on the full charge and will only be able to apply the discount to the VAT amount payable if the customer then actually takes advantage of the prompt payment discount.

From 1 April 2015 suppliers will either

a. invoice for the £100+£20 VAT and then issue a credit note for the £5+1 VAT or
b. invoice for £100+£20 but also show that the invoice will be reduced to £95+£19 if paid within the prescribed time.

P.8. Publication income

Income from articles published in academic journals would be taxable (ST).

Notice 701/10/10 paragraph 7.2
P.9. Purchase cards

The University operates a purchase card scheme for the procurement of lower value items. Departments must ensure that for purchases from suppliers who are not ‘VAT enabled’, a VAT receipt or tax invoice is obtained for the University’s records. For further information on this please refer to Purchase Card Procedures.
R

R.1. Recharge/Reimbursement of Expenses

The tax treatment of expenses recharged to a client will generally follow that of the service itself. As a result, if billing a UK client £1,000 for consultancy and the air fare of £100 (a taxable supply, tax code ST) VAT should be added to both the consultancy charge and the recharge for associated travel expenses including any train and air fares. The total VAT due on this invoice would be £220.

If, instead, the expenses charged to the client relate to an academic who has given a series of lectures for a client then the invoice for both the lecturing and associated travel would both be exempt from VAT (tax code SX).

Car parking

Charges to visitors who are not students will be subject to standard rate VAT.

Consumables

If the University incurred spend for an academic and the academic leaves and takes up employment with another University. The receiving University agrees to reimburse Reading for these costs then this income would be outside the scope of VAT.

If instead, the recharge for consumables incurred had been in respect of a fully recoverable consultancy project then VAT would have to be added to the invoice and be treated as taxable.

If the University raises an invoice for consumables used by a visiting PhD student and the invoice is to the PhD student’s home University then this would be an exempt supply for VAT purposes (SX) as it would be deemed to be ‘closely connected with the provision of education’. The exception to this would be if the home institution has an interest in the arising IP, in which case VAT would be due.

Goods bought and sold to a client

If goods supplied to the client were to have been specifically bought on behalf of the client and separately ordered for that purpose, i.e. not included on an order alongside those that the University needed, the charge to the client should be subject to VAT (ST) depending on the nature of the goods sold, and the University will be entitled to recover any associated VAT on the purchase in full.

If instead, goods were ordered for the department’s stores for use in a mix of teaching, grant and commercially funded research, then VAT on the expenditure would only be partially
recovered. Were some of these goods to be sold to an external client, VAT could not be recovered on the original purchase and VAT would need to be added to the gross cost.

**Disbursements**

Where no VAT is incurred on the original expenditure, it may be beneficial to consider if recharges to the client can be treated as a disbursement and therefore outside the scope of VAT. The rules for a recharge to qualify as a disbursement are onerous and the circumstances should be discussed with the Tax team. **All** of the following conditions must be met in order to qualify:

- you paid the supplier on your customer's behalf and acted as the agent of your customer
- your customer received, used or had the benefit of the goods or services you paid for on their behalf
- it was your customer's responsibility to pay for the goods or services, not yours you had permission from your customer to make the payment
- your customer knew that the goods or services were from another supplier, not from you
- you show the costs separately on your invoice
- you pass on the exact amount of each cost to your customer when you invoice them
- the goods and services you paid for are additional to whatever you're billing your customer for doing yourself

It's usually only an advantage to treat a payment as a disbursement for VAT purposes if the supplier didn't charge VAT on it. If VAT was charged on the expense, there is no benefit to disbursement treatment.

**Postage**

See separate section on Postage for guidance on the VAT position in respect of recharges for Postage.

**R.2. VAT Registration numbers (& other reference numbers)**

The University and its subsidiaries have separate VAT registrations. The registration numbers for each entity are listed below.
<table>
<thead>
<tr>
<th>VAT registration no.</th>
<th>GB 200 0126 59</th>
<th>GB 996 8987 06</th>
<th>GB 861 4155 33</th>
<th>GB 996 8987 06</th>
<th>FI 23062300</th>
<th>DE 285 6706 89</th>
<th>GB 209 5970 84</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>University</td>
<td>Subsidiary of UoR</td>
<td>Subsidiary of UoR</td>
<td>Subsidiary of UoR</td>
<td>Branch of UoR (not separate entity)</td>
<td>Subsidiary of UoR</td>
<td>Subsidiary of UoR</td>
</tr>
<tr>
<td>Company registration no.</td>
<td>Not applicable</td>
<td>07019049</td>
<td>04347140</td>
<td>02501592</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>9435011</td>
</tr>
<tr>
<td>Registered Charity no.</td>
<td>Exempt charity X8145</td>
<td>Not applicable</td>
<td>1092627</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Limited company</td>
<td>Not applicable</td>
<td>Private limited company</td>
<td>Limited by guarantee</td>
<td>Limited by guarantee</td>
<td>Branch of UoR</td>
<td>Limited by shares</td>
<td>Limited by shares</td>
</tr>
<tr>
<td>HMRC Unique Tax Reference (UTR)</td>
<td>46100 15969</td>
<td>43538 14680</td>
<td>46938 01154</td>
<td>76100 14312</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>43659 00063</td>
</tr>
<tr>
<td>Royal Charter number</td>
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<td>Not applicable</td>
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<td>EORI (Economic Operator Registration and Identification)</td>
<td>GB 200 0126 59000</td>
<td>GB 996 8987 06000</td>
<td>GB 861 4155 33000</td>
<td>GB 996 8987 06000</td>
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<td>HMRC charity tax reference number</td>
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<td>Not applicable</td>
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<td>Not applicable</td>
<td>Not applicable</td>
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</tr>
</tbody>
</table>

### R.3. Replacement degree certificates

Charges for replacement degree certificates are subject to standard rate VAT.
R.4. Research

Universities receive income to undertake specific research. Research can be divided into commissioned research and university-led research.

- **Commissioned research** would be undertaken at the request of a client for an agreed consideration. While the client usually initiates it, the university may approach potential clients who may have an interest in the research, and ask them to fund it. Commissioned research is a taxable activity liable to VAT.

- **University-led research** is initiated by the university and is generally funded in whole or in part by grant funding, typically from the Research Councils, government and charities. This is normally undertaken to advance human knowledge rather than for any business reason. It will generally be treated as a non-business activity.

<table>
<thead>
<tr>
<th>Research can be either</th>
<th>Depending on…</th>
</tr>
</thead>
<tbody>
<tr>
<td>non-business;</td>
<td>to whom it is provided;</td>
</tr>
<tr>
<td>taxable; or</td>
<td>where it is provided; and</td>
</tr>
<tr>
<td>outside the scope with the right to deduct</td>
<td>how it is funded.</td>
</tr>
</tbody>
</table>

See HMRC’s PE5140 Guidance for specific trade sectors: Educational establishments.

**HMRC Definition**

Although there is no legal definition of “research” in VAT law, HMRC considers that research means original investigation undertaken in order to enhance knowledge and understanding. Research does not include supplies such as merely confirming existing knowledge or understanding, consultancy, business efficiency advice, market research or opinion polling.

**VAT on research between other eligible bodies**

An exemption from VAT for business research supplied between eligible bodies was withdrawn on 31 July 2013. All contracts for such research entered into after 1 August 2013 would normally fall to be treated as subject to VAT.

Further information on the changes is given on VAT Info Sheet 11/13 and the Revenue and Customs Brief 10 (2013): withdrawal of the VAT exemption for supplies of research.
Research that is within the scope of VAT

For a supply to come within the scope of VAT there have to be at least two parties and a written agreement between them under which something is done for a consideration and by way of business. This means that there must be a direct link between the service supplied (in this case research) and the consideration received such that the relationship can be established between the level of benefits the customer gets and the amount they pay.

Consequently, where research is supplied by way of business and under a contract (or other agreement) in return for consideration, this will be within the scope of VAT. Such research by an eligible body for organisations which did not qualify as eligible bodies remains subject to VAT.

Outside the Scope of VAT v Taxable supply

Generally research is outside the scope of VAT when it is funded, either by the public sector or by the charitable sector, for the wider public benefit. However, this is only a general rule of thumb and each case must be considered on its own merits.

For there to be a supply of services for VAT purposes, there must be a direct and immediate link between consideration paid and a service provided. HMRC do not generally consider this to happen in the case of research which is funded for the wider public benefit, either by the public sector or by the charitable sector. This was mentioned in the opinion of the Advocate General in Keeping Newcastle Warm (C353/00).

The main question to ascertain whether the research is outside the scope of VAT is whether the funding is part of the consideration for any specific supply: does the funder receive anything in return for their funding.

As explained in Revenue and Customs Brief 10 (2013): withdrawal of the VAT exemption for supplies of research situations where the funding will be outside the scope of VAT include:

- research which is funded for the 'general public good' and there is no direct benefit for the funding body

- research which is funded for the general public good and is either not expected to generate any intellectual property (IP), or if it does then any reports or findings will be freely available to others

- where there is a 'collaborative' agreement between different research institutions where all parties to the grant are named on the application
-where the funding flows through one named party - and they act purely as a conduit passing
on the funds to others involved in the research project - the funding remains outside the scope
of VAT

Where funding is provided to a named party for research that will either generate IP to be
exploited by the funder and/or is not for the public good and they subsequently decide to sub-
contract some of the research to an eligible body (for example a university), the initial funding
to the named party (assuming an eligible body) will be taxable consideration for a supply of
service.

**Collaborative research**

HMRC recognises that a significant amount of research is collaborative - indeed, this seems
common in the case of Research Council funding. Collaborative research is where several
bodies (typically universities or other eligible bodies) get together to apply for grant funding
to undertake a research project. It is not uncommon for one of the applicants to be shown as
the head or lead body which deals primarily with the funding body including receiving
funding which is passed to other applicant bodies for their contribution to the project. For
ease, contracts are often concluded only in the name of the funding body and the lead research
body even though this is a collaborative project.

HMRC will accept that in such cases of collaborative research, all research services provided
by each of the bodies involved in the project are outside the scope of VAT, even if the
funding may be passed on by the lead research body to others and that only the lead research
body is party to the contract with the funding body.

HMRC may ask for evidence that research bodies are participating in collaborative research;
the best evidence of that will be the original application for funding which would, in many
cases, show who all the collaborative partners are. However, HMRC will accept alternative
evidence that clearly demonstrates that the bodies concerned were participating in
collaborative research. It is the University’s policy that the collaborators are named as such in
the application for funding or are subsequently recognised by the funders as such.

**Changes in collaborative parties**

HMRC can confirm that research bodies that are added to or are substituted in a collaborative
research project once it has commenced (and so are not mentioned in the funding contract)
would still be seen as parties to the collaborative project so that their supplies remain outside
the scope of VAT.

Revenue and Customs Brief 10 (2013)
Revenue and Customs Brief 21 (2013)
VAT information sheet 11/13 : supplies of research between eligible bodies
R.5. Reverse charge & Acquisition VAT

Purchases of Services
Where the University receives services from suppliers outside the UK the University has to pay Reverse Charge VAT on these services to HMRC. The reverse charge is intended to make purchasing decisions “VAT neutral” and to avoid the need for suppliers to register for VAT in multiple EU states. When the reverse charge applies, there is no VAT advantage in purchasing from an in-country supplier as opposed to an out of country supplier.

Reverse charge VAT would be due on most services where a supplier is elsewhere in the EU or overseas. Common examples include the following:

- overseas recruitment agents
- consultancy/advisory services
- electronic publications or journals
- software

There will, however, be some circumstances where this does not apply eg.

- **admission** to an event or exhibition overseas (rather than exhibiting at)
- **marking** or other examination services.

Reverse charge VAT will also not apply for hotel accommodation, subsistence or car hire outside the UK unless billed for as part of a charge for other services such as consultancy.

Reverse charge VAT will also not be due on services that would qualify for zero rating if bought from suppliers in the UK eg. qualifying **advertising** or publications

There are special rules in relation to space at a conference often used in student recruitment. Further details are given at E.10. Exhibition stands. Reverse charge VAT will generally apply to such payments but see further details below.

Where this expenditure relates to the delivery of education this reverse charge VAT will be a cost to your project. Where these services relate to commercial activities and your project is fully recoverable this VAT will not be a cost to you as you will be able to recover it.

Purchases of Goods
VAT is also due on goods imported from overseas. When goods are imported from outside the EU, VAT will be charged at the port of entry. When goods are imported from other countries in the EU, the University must account for “Acquisition VAT”.

Tax codes for purchases subject to reverse charge VAT or acquisition VAT
Where you know that a transaction should be subject to reverse charge VAT please use the following tax codes:

- PY Purch Standard Rate-Rev Chg-Non EU
- PX Purch Standard Rate-Rev Chg-EU

**Sales**

When raising an invoice to a VAT registered customer in the EU (not UK) it is important to quote their VAT registration number on the invoice together with the statement “this supply is subject to reverse charge”. The tax code to be used is SE. The exceptions to this are as follows:

- supply of education/closely related services – tax code SX
- billing an EU client for a grant – tax code SO

**R.6. Room Hire – see Letting of Rooms**

**R.7. Royalties**

Income to the University from royalties is liable to VAT at the standard rate unless the customer belongs outside the UK.
S

S.1. Sale of used equipment

Normal VAT rules apply to the sale of second-hand goods by the University. For example the sale of a piece of equipment we no longer use is taxable (tax code ST). When you are buying a new piece of equipment and trading in the equipment it is replacing against this supplier you must account for the VAT on the value of the trade-in. Please contact the Tax team if you have such a transaction and we will provide guidance.

The sale of medical/veterinary equipment to an eligible body for use in medical/veterinary research would be zero rated if the customer provided a Zero Rate certificate for VAT purposes (tax code SZ).

S.2. Secondments/supply of service

Supply of service
Where the University has agreed to undertake work on behalf of a client and allocates certain members of staff to that work but has the right to substitute another member of staff to that work then this would represents a supply of services. The VAT treatment would depend on the nature of service supplied.

Where staff are supplied but remain under the University’s control this is regarded as a supply of services rather than a supply of staff, and the VAT liability would be determined by the liability of the service. For example, if members of staff were working for another educational institution under a contract that requires the University to supply a lecture or tutorial course, this would represent the supply of education which would be exempt from VAT. If instead the University were providing administrative support to an external organisation and a member of staff was assigned to that work the fees charged for the service are subject to VAT.

Supplies of medical staff are currently standard rated for VAT. The ‘end purpose’ of health provision is not sufficient to exempt such supplies.

Secondment of staff
If the University agrees to second specified members of staff to work under the direction and control of another party, then there is a secondment/supply of staff that is taxable. The supply is essentially the granting of rights to the other party for the member of staff to be managed by that party and is taxable at the standard rate. The supply is taxable even if the University is simply recharging the costs it has incurred such as gross pay, employer’s national insurance and employer’s pension contribution.
Supply of staff and joint employment

Where staff are jointly employed there is no supply for VAT purposes between the joint employers. Staff are jointly employed if their contracts of employment or letters of appointment make it clear that they have more than one employer. The contract must expressly specify who the employers are for example 'Company A, Company B and Company C', or 'Company A and its subsidiaries'.

Staff are not jointly employed if their contracts are with a single company or person, even if it requires them to work for others.

There is no joint employment where for example there is a contract with one employer:

- which lays down that the employee's duties include assisting others, or
- that the employee will work full-time for another, or
- where the job title shows that the employee works for a group of associated companies (such as a group accountant).

Secondment of staff between the NHS and the University

Charges for staff seconded to/from the NHS will generally be liable to VAT. However, under very restricted conditions secondments can be treated as outside the scope of VAT. The terms on which this was accepted by HMRC are outlined in a Memorandum of Understanding accessible via the following weblink:

http://bma.org.uk/practical-support-at-work/contracts/academics-contracts/joint-staff-memorandum

Such arrangements would only be possible where:-

1. staff are engaged in both teaching and/or research as well as the delivery of patient care and
2. there is a joint integrated job plan encompassing both NHS and University commitments covering amongst other things relevant aspects of teaching, research and patient care.
3. There is an honorary and substantive contract of employment between the individual and both the University and the NHS trust. Both the NHS Trust and the University would have responsibilities as employers of the individual concerned and the employee would be accountable to both employers.

Further details of the requirements are outlined in the MOU above.

In these specific circumstances one of the two employers would normally pay the total remuneration to an employee (i.e. on a paymaster basis) for the other employer’s share of the employee’s costs. The charge to the second employer for their element of the cost would be
outside the scope of VAT. Otherwise, staff secondments to or from the NHS would be subject to VAT.

**S.3. Self-billing**

Self-billing is an area that often causes confusion. It may arise in the context of royalty payments or other commission style receipts, where the customer has the data, e.g. sales volume, to calculate amounts due to the University. The customer, operating an approved self-billing scheme, issues a tax invoice to himself or herself on behalf of the University. Departments must ensure they account for any VAT shown on the invoice in the same way they would for a sales invoice when paying in the sum received by selecting the ST code on the paying in form. A copy of the self-billing invoice should be attached to the paying in form.

**S.4. Sponsorship**

Income from sponsorship which gives advertising or promotional benefits, or provides special rights to the sponsor, e.g. marketing opportunities or privileged use of facilities or expertise, is taxable at the standard rate (tax code ST).

A donation would not constitute a taxable supply and would be treated as outside the scope of VAT. The simple acknowledgement of a corporate donation does not give rise to a “supply” for VAT purposes. The naming of a chair supported by a corporate donor would similarly not represent “sponsorship” and would be outside the scope of VAT. However, use of a corporate logo on a charity website or stationery would create a supply of sponsorship on which VAT should be charged.

In order to determine the appropriate VAT treatment of the income the intention of the parties at the outset should be considered. It is important that any agreement with a sponsor takes VAT into consideration in order to avoid potentially embarrassing and unnecessary misunderstandings about amounts payable. Many sponsors will be VAT registered and they will be able to recover VAT charged by the University and they will require a sales invoice for their records.
S.5. Sport

a. Supply of sporting services to individuals

The supply of sporting services to individuals by the University as an Eligible Body qualifying under Note 2A to Group 10, Schedule 9 of VATA 1994 is exempt from VAT. The definition of an Eligible Body under Group 10 is different from that under Group 6 for the Education Exemption. The conditions for an Eligible Body under the sporting exemption given in Group 10 are given in HMRC’s Internal Guidance Note VSPORT2010:-

a) It is non-profit making  
b) Its constitution does not allow it to distribute profit or surpluses it makes, other than to another non-profit making club, or to its members on its winding up or dissolution  
c) It uses all profits or surpluses from its playing activities to maintain or improve the related facilities or for the purposes of a non-profit making body  
d) It is not subject to commercial influence.

The University, as an exempt charity regulated by the Office for Students meets the conditions given above and is an eligible body for the purposes of the sporting exemption.

For the purposes of this exemption, an “individual” is a person who actually takes part in the sporting or physical education activity and this includes family groups, informal groups, and non-profit making entities, where one individual makes a booking on behalf of a group and the true beneficiaries are the persons taking part in the activity.

b. Group for sports activities

A class which is led and directed rather than merely supervised by University staff is classified as education and is exempt from VAT. If the mere presence of staff is to, say, supervise on health and safety or insurance grounds, the service is a grant of facilities and the conditions above apply.

c. Supply of sporting facilities to Groups/Organisations

The supply of sporting facilities to a group or commercial organisation is a standard-rate supply, unless the supply qualifies for exemption under one of the following concessions:
- the facilities are provided for a continuous period of use exceeding 24 hours. The person to whom the facilities are let must have exclusive control of them throughout the period of letting, or

- the grant of facilities is for a series of ten or more periods.

As explained above, informal groups and non-profit making bodies, where one individual makes a booking of the sporting facilities on behalf of a group of users, and the true beneficiaries are the persons taking part in the sport, qualify as individuals and are not subject to these group rules.

If an organization fails to meet any of the above criteria, then the supply of sporting facilities will be standard rated.

S.6. Staff (see secondments above)

S.7. Letting space for storage of goods

With effect from 1 October 2012 where the University or any other organisation supplies space for the storage of goods in structures (‘relevant structures’) such as containers, units or buildings, that supply is standard-rated. However, there are certain exceptions set out below.

The use of the space will normally be clear from the nature of the facilities, the way they are advertised and the agreements entered into. However, in some instances, facilities may be suitable for a variety of uses and agreements may not specify a particular use by the licensee (ie the licensee is free to use the space for any purpose). In such cases it will be necessary for the University to obtain confirmation in writing from their customer of the use to be made of the space and retain the confirmation as evidence for VAT purposes.

Where space is used by the customer for both the self-storage of goods and another purpose, the VAT liability will follow that of the principal element of the supply in accordance with normal rules. So, for example, if a customer uses a warehouse for the storage of goods but also uses a small amount of the space as an office, the whole supply will be taxable, as the provision of office space is ancillary to the provision of self-storage and VAT would be due on the full amount of the charge as the main supply is of storage space.

Where, during the period of an agreement or contract, the self-storage facilities are not actually being used for the self-storage of goods and are left empty, the supply will be standard-rated if there is an intention that they will be used for self-storage in the future or have previously been used for self-storage during the period of the agreement or contract. In some cases, businesses that have hired out facilities for self-storage of goods may become aware that their facilities are being used permanently for something other than self-storage. Where such use is permissible under agreements and would result in a different tax treatment (eg, exempt instead of taxable, where the provider has not ‘opted to tax’) the correct VAT
treatment should be applied from the time that the supplier becomes aware of the change in use.

However, use on an occasional basis for something other than storage, during specific agreement or contract periods, will not affect the VAT treatment as the main overall use remains self-storage of goods.

The University should ensure that customers are aware that they should notify it of any permanent changes of use in the future, and that this may result in a different VAT treatment. Provided this is done there is no requirement for the University to actively monitor, on a regular basis the use being made of the space. In such cases where changes of use occur resulting in a different VAT treatment, HM Revenue & Customs (HMRC) will normally accept this being applied from the date the University becomes aware of the change. However, HMRC will not do so if the University and customer are connected or the University has received indications of a change of use but not acted upon them.

VAT is due on the use of space for the self-storage of goods regardless of who uses the property (subject to exceptions below). These rules provide that VAT is due where the facilities are used by a 3rd party when the lessee allows the 3rd party to use the space for storage.

The lease of a storage facility, such as a lock-up, to be used for the storage of goods by the customer, will be subject to VAT unless used for a purpose which is not storage. However, the supply of a warehouse or similar building for any other purpose only is subject to VAT if used for storage purposes.

Storage of livestock remains exempt. Facilities let for storage to a charity where the charity uses the self-storage facility for a non-business purpose will be exempt from VAT.

Where the storage is ancillary to a building then the VAT treatment of the let of the storage would be exempt from VAT.

**S.8. Student placements**

Any charge to a business, made by the University for a student industrial/work placement, is taxable at the standard rate.
S.9. Studentships and stipends

Income which is not a grant received from research councils or charities to cover the cost of a studentship is subject to VAT from 1 August 2013. Income from charities to cover the cost of studentships is generally outside the scope of VAT but contracts should be reviewed by the Tax Team to ensure that the income is not taxable.

Charges to a commercial or industrial sponsor for the cost of a studentship including the student stipend and bench fees are both subject to VAT at standard rate. The only exception to this would be where a commercial or industrial sponsor is not granted any preferential rights or licence in Intellectual Property Rights arising from the studentship and where there are no restrictions on publication which may be imposed by the commercial sponsor.

S.10. Students’ Union

The Students’ Union is a separate body, and has an independent VAT registration with HMRC. In principle, VAT is chargeable on supplies made to the Students Union and its affiliated clubs, but a special concession is applied where the final consumer is a student of the University.

VAT is not chargeable

  a. if the supply would have been exempted had it been made to a University of Reading student and the supply is to the Students Union
  b. provided that the goods and services concerned are for the direct use of students.

In essence, the Students Union is treated as another eligible body for the purposes of the exemption of supplies that are closely related to education. Examples that can be exempted include the supply of accommodation, catering, and educational materials.

For all other charges, the Students Union is treated as an external customer and VAT applies according to the relevant treatment of the supply concerned.
T

T.1. Tax invoices

A VAT invoice must show:

- an invoice number which is unique and follows on from the number of the previous invoice - if you spoil or cancel a serially numbered invoice, you must keep it to show to a VAT officer at your next VAT inspection
- the seller's name or trading name, and address
- the seller's VAT registration number
- the invoice date
- the time of supply (also known as tax point) if this is different from the invoice date - see below
- the customer's name or trading name, and address
- a description sufficient to identify the goods or services supplied to the customer

For each different type of item listed on the invoice, you must show:

- the unit price or rate, excluding VAT
- the quantity of goods or the extent of the services
- the rate of VAT that applies to what's being sold
- the total amount payable, excluding VAT
- the rate of any cash discount
- the total amount of VAT charged

A simplified VAT invoice will generally be issued by retailers who are selling goods or services for £250 or less. A valid VAT invoice for such transactions will include the following:-

- the seller's name and address
- the seller's VAT registration number
- the time of supply (tax point)
- a description of the goods or services

The following are not acceptable to HM Revenue and Customs as invoices and VAT recovery can be disallowed by Inspectors. These include:-

- Photocopies
- Fax copies
- Statements
T.2. Tax point for VAT purposes

When will I need to use a tax point?

- When raising a sales requisition using the Sales Order Processing (SOP) module of Agresso you will be asked for an invoice date and a tax point.

- A Batch Interface File (BIF) also asks for a tax point. Agresso will assume the tax point for that BIF is the same as the date on which you process the transaction unless you complete the tax point with another date. In most cases this will be correct. It is important, however, to record any relevant date if the date of the transaction is not in fact the tax point.

The tax point (or ‘time of supply’) is the date at which VAT needs to be recognised as due to HMRC. Penalties are due for late payment of VAT and therefore the tax point is important.

<table>
<thead>
<tr>
<th>Situation</th>
<th>Tax point</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales invoice issued.</td>
<td>Date of invoice unless payment has been received in advance of invoice in which case the tax point is the date of receipt of the payment.</td>
</tr>
<tr>
<td>Sales invoice not issued until after 15 days or more of the supply of goods or services.</td>
<td>Date the supply took place or was completed.</td>
</tr>
<tr>
<td>A sale invoice has not been issued.</td>
<td>Date of supply of goods/services unless payment received in advance in which case the tax point would be the date on which the payment was received.</td>
</tr>
<tr>
<td>NB. The University is obliged to issue sales invoices to all business customers.</td>
<td></td>
</tr>
<tr>
<td>Payment or invoice issued in advance of supply.</td>
<td>Date of payment or invoice (whichever is earlier)</td>
</tr>
<tr>
<td>A payment received in advance of goods having been supplied or service having being completed and no sales invoice has yet been issued.</td>
<td>Date payment received.</td>
</tr>
</tbody>
</table>

Example 1
The School of Pharmacy carries out some analysis work carried out for a private individual and completes this on 31/1/18. A sales invoice was not issued until 28/2/18. The tax point is 31/1/18, the date on which the analysis was completed as the invoice has not been issued until after 14 days of the services having been completed. The sales invoice needs to give this tax
point of 31 January 2018 in addition to the invoice date as the VAT on this transaction will need to be reported on the VAT return to 31 January 2018.

Example 2
An industrial sponsor pays £12,000 on 25 January 2017 to cover the first year of a studentship. A sales invoice is not issued until 1 February 2017. The date of supply is the 25th of January.

A sales invoice is issued to the sponsor on 31 January 2018 for the second year of the studentship. The tax point is 31 January 2018.

Example 3
A couple book and pay a deposit of £2,000 on 15 January 2018 for a wedding to be held on campus on 31 July 2018. They pay a further interim payment on 15 May 2018 of £2,000 and an invoice is issued on 31 August 2018 for £1,000. The first and second tax points are the dates of the deposits, 15 January 2018 and 15 May 2018 and £400 (£2000*20%) is due on each of these days. A further £200 is due on 15 August 2018 (15 days after the wedding) not the 31 August 2018, the sales invoice therefore needs to give a tax point of 15 August 2018 rather than the invoice date.

T.3. Telephone income

If the University recharges the cost of telephone calls, line rental costs or telecommunication services to an external body, which uses the University’s telephone system, then the recharge is taxable.

Any contributions from staff to cover the cost of private calls should be treated as taxable (ST).

T.4. Ticket sales for theatre productions/sporting events etc. (see admission charges above)
V

V.1. Validation of VAT registration numbers

The EU Commission provides a website for checking the VAT registration number of a supplier or customer. A link to this website is given here: http://ec.europa.eu/taxation_customs/vies. This tool should be used when completing a request for a new customer that is based in another EU member state.

V.2. Vending income

Income from vending machines would be subject to VAT unless it is clear how much of the income relates to students. Where income can be apportioned, the proportion generated from students would be exempt from VAT and the remainder will be subject to standard rate VAT.
Z

Z.1. Zero rate supplies

Income from the sale of certain goods and service is subject to zero rate VAT. We can reclaim VAT on any expenditure related to that income. This is in contrast to the fact that we cannot recover VAT on any exempt activities eg. delivery of education by the University or rental of properties.

If you supply zero-rated goods or services we charge VAT at zero per cent, so there is no VAT charge. We must state on sales invoices that the VAT rate is 0%.

Zero rate VAT applies to the following supplies that the University may make or receive (this is not a complete list of all supplies that are subject to zero rate VAT):

Certain basic food and drink for human consumption (however, there are many items which are subject to standard rate VAT eg. bottled water, crisps, alcohol, hot food).

Certain animals, animal feeding products, plants and seeds also qualify for zero-rate VAT, subject to conditions.

Air fares, rail fares, bus fares and other passenger transport (in a vehicle that carries not less than ten passengers).

Construction and sale of new buildings for a relevant charitable purpose, or relevant residential purpose.

Leaflets, pamphlets, brochures and newspapers (in paper format) (Notice 701/10). Note, stationery is standard rated, including exercise books.

Books, maps, charts, magazines, publications.

Certain protective clothing including cycle helmets (CE Marked). (CE-marking indicates that a helmet fulfils the requirements in the EEC Directive, 89/686/EEC).

Water for domestic use

Sewerage services for domestic or industrial users

Certain building services or alterations and goods designed for disabled people (Notice 701/7).

Construction and first sale of a new dwelling or property converted into a dwelling
First freehold or long leasehold sale of a commercial building converted into a dwelling or dwellings

Goods exported outside the EU or sent to someone registered in another EU country are zero-rated, subject to conditions.

Supply of advertising to a charity

Supplies relating to medical or veterinary research, training, diagnosis or treatment (please refer to M1 above for more details):

Supply of medical, scientific, computer, video, sterilising, laboratory or refrigeration equipment to a charity for use in medical or veterinary research, training, diagnosis or treatment, or parts or accessories for use in or with these goods, or repair and maintenance of these goods.

The supply to a charity, providing care or medical or surgical treatment for human beings or animals, or engaging in medical or veterinary research, of a medicinal product or veterinary medicinal product where the supply is solely for use by the charity in such care, treatment or research.

The supply to a charity of a substance directly used for synthesis or testing in the course of medical or veterinary research.
Annex 1  INVESTMENT PROPERTY

Letting of parking facilities in conjunction with the letting of dwellings
The letting of garages or parking spaces in conjunction with the letting of dwellings for permanent residential use (under shorthold tenancy agreements or similar) is exempt providing that:

- the garage or parking space is reasonably near to the dwelling, and
- the tenant takes up both the lease of the dwelling and the lease of the garage or parking space from the same landlord.

Grants of parking facilities with commercial premises
If you grant a lease in commercial premises under an agreement that includes the provision of parking facilities, this is treated as a single supply (the parking has the same VAT liability as the commercial premises) provided that

- the parking is within or on the premises, reasonably close, or within a complex (for example, an industrial park made up of separate units with a 'communal' car park for the use of tenants of the units and their visitors), and
- it is intended to be used in conjunction with the commercial premises

The same treatment applies where the agreement for the lease of the premises includes an obligation on the tenant to accept a later grant of parking facilities if or when they become available.

This means that if the rents from the commercial premises are exempt from VAT, the parking facilities will also be exempt.

In other circumstances the provision of parking facilities in conjunction with the letting of commercial property will normally be a separate standard rated supply.
Annex 2  CONFERENCES

For VAT purposes the questions are who is running the conference and whether or not it is an educational conference:

1. Where the University of Reading is running an educational conference (i.e. it is delivering the course to the students) then:

   a. charges to the delegates for their attendance at the course will be exempt.

   b. charges for the accommodation, telephone calls, internet access, meals, refreshments, audio visual equipment, room hire and car parks will all be exempt for delegates, although any accommodation prior to the event, or on nights after the event, will be subject to VAT. (Accommodation the night before and during the event can be exempt, but not the night after it ends).

   c. separate charges for alcohol will be subject to VAT (though where the supply of alcohol is charged for alongside the meal, e.g. £20 per head including a glass of wine, then the entire charge will be exempt).

   d. where we charge any external facilitators for accommodation, meals and car parking this will be subject to VAT in the same way as for any normal non-student guest.

   e. where a delegate can choose to be a non-resident participant on the course then the charge for the course will remain exempt.

2. Where another University or Educational Charity, College or other Eligible Body (defined below) is running an educational conference at the University (i.e. it is delivering the course to the students) then:

   The supply of facilities in respect of such an event will be exempt from VAT provided the eligible body is using the facilities in connection with an exempt supply of education, i.e. the client is actually charging delegates to attend and the supplies being made are for the direct use of the delegates attending (i.e. exemption would not extend to charges made to speakers, presenters, exhibitors etc.).

   The charges to the client for the use of facilities where the charge is inclusive of meals, refreshments, use of audio visual equipment, car parking etc. will be exempt from VAT e.g. a single delegate rate. Separate charges for meals, refreshments, use of audio visual equipment and car parking etc. will be subject to VAT where applicable in accordance with normal rules.
However, to the extent that charges are for speakers, presenters and exhibitors then VAT will be due on charges for accommodation, meals and car parking etc. - as per any supply to a ‘non-student’.

The University must obtain a certificate to confirm that the client is an eligible body prior to billing on an exempt basis.

3. **Conferences organised by a commercial provider of English as a Foreign Language Course**

   As for 2 above.

4. **Any other conference**

   - Hire of a room (including audio visual equipment available in room incidental refreshments eg tea and coffee and water) is VAT exempt (unless the room is in a building where there is an option to tax in place).
   - Separate charges for audio visual equipment – vatable
   - Refreshments separately charged – vatable
   - Meals - vatable
   - Overnight Accommodation – vatable
   - Use of internet-vatable
   - Telephone calls-vatable

   **Note:**

   Eligible bodies include the following:

   - School, University, sixth form college, tertiary college or further education college or other centrally funded higher or further education institution (defined as such under the Education Acts) or the governing body of one of these institutions
   - Local authority
   - Government department or executive agency
   - Non-profit making body that carries out duties of an essentially public nature similar to those carried out by a local authority or government department
   - Health authority
   - Non-profit making organisation that meets certain conditions
   - commercial provider of tuition in English as a Foreign Language (although special rules apply to these providers).
Annex 3  LIBRARY

Fines

Fines are outside the scope of VAT (SO).

Income from interlibrary loans

Interlibrary loan charges paid by students are exempt from VAT on the grounds that they qualify as closely connected with education. Charges to staff or visitors are standard rated supplies and should be coded ST.
Annex 4  POSTAL SERVICES

The Central Post Room at the University is used by students, staff and the public to send post via Royal Mail. When billing external clients or students for this postage, the recharge of the postage costs incurred by the University from Royal Mail, is treated as a disbursement, and outside the scope of VAT. Any additional administration or handling charges are separately billed and treated as subject to VAT. This treatment applies to the majority of postal services including air mail, parcels and those where a franking machine is used.

The University also recharges clients for the use of the University’s account with Parcelforce or its equivalent to place a booking online for delivery or collection of parcels. This is treated as above whereby the postage costs are treated as a disbursement with any additional charges being treated as a standard rated supply of administration services.
Annex 5    MEDICAL/VETERINARY RESEARCH & ZERO RATE RELIEF

See section M for the guidance in relation to zero rating of these goods.

DEFINITIONS

'Equipment' will usually be durable, although certain disposable items, such as syringes that are designed to be used once only, may still be equipment.

'Medical equipment' is equipment that has features or characteristics that identify it as having been designed for a medical purpose or function, such as the diagnosis or treatment of patients.

This covers a wide range of goods, from simple items like bandages and tongue depressors, to complex machinery such as x-ray machines and scanners.

'Scientific equipment' is used for observation, experimentation and measurement. Scientific equipment is equipment designed to perform a scientific function. This includes precision measuring equipment and analytical equipment such as thermometers, weighing machines and spectrometers.

'Computer equipment' means hardware, disks, VDU and keyboards. Machinery or other equipment that is either operated by computer or has computerised components is not qualifying computer equipment.

'Video equipment' includes recorders, tapes and video cameras (still cameras do not qualify).

'Sterilising equipment' is equipment for sterilising medical and laboratory instruments. This includes autoclaves and other specialised equipment using steam or other high temperature processes.

Microwave ovens and other cooking appliances are not qualifying sterilising equipment, even if they can be used to sterilise. Sterilising fluid is not equipment, and does not qualify for zero-rating, even when purchased by an eligible body.

The following items are not equipment and do not qualify for zero-rating, even when supplied to, or for donation to, an eligible body:

- bulk materials such as liquids, powders, sheets, pellets, granules;
- clothing (other than specialist medical equipment such as surgical masks, gowns and gloves); and
consumables such as chemical reagents, fuel, ink, medicines, oil, paper, and cleaning and sterilising fluids. However, medicines and chemical reagents may qualify for zero-rating under the relief for medical products outlined below.

'Laboratory equipment' is equipment such as benches and fume cupboards.

This includes equipment that is designed for use in a laboratory, such as test tubes and other laboratory glassware; Bunsen burners; fume cupboards; microtomes; cryostats; laboratory benches; specialised sinks and catchpots. Fume cupboards can be classified as qualifying equipment since they have an active role in the conduct of experiments, and the fact that they form part of the fabric of the building does not exclude them.

The following are not qualifying laboratory equipment unless they have specialised features that set them apart as goods which are not normally found other than in research laboratories:

- ordinary cupboards, lockers, seats and other furniture, even when these are used to equip a laboratory;
- bulk materials such as liquids, powders, sheets, pellets, granules;
- general purpose items used to equip a laboratory; and
- consumables such as chemical reagents, medicines, and cleaning and sterilising fluids (though see separate section on relief available for medicinal products).
- 'Refrigeration equipment' includes ice making machines.

'Research' means original systematic investigation undertaken to gain knowledge and understanding of the treatment or palliation of a physical or mental abnormality in humans or animals. It excludes routine testing.

'Mainly' is defined as real, substantial and continuing and bought for that purpose. The proportion of usage applied for a qualifying purpose must be in excess of 50%. Also, it must be possible to identify a specific qualifying use at the time of purchase. If it is claimed that the equipment is being purchased for medical research, then the University must be able to identify in which particular research projects/activities it will be utilised.

'Parts' are integral components without which the equipment is incomplete.

'Accessories' mean optional extras that are not necessary for the equipment to operate in its normal course, but are used to improve the operation of the equipment; or enable the equipment to be used, or used to better affect, in particular circumstances.

This would cover, for example, a printer for use with a computer; a specially designed camera for use with a microscope; and a rack for holding test tubes.
Items that do not qualify as 'parts' or 'accessories' include items that have independent uses, such as television sets accessories to accessories.

Computer software would also qualify when used solely for these purposes. Computer 'services', by way of the provision of computer software, are only eligible for zero rating if the use is solely for medical research, diagnosis or treatment. N.B. zero rate relief is not available on training.

'Off the shelf' software is classified as a 'good' rather than a 'service' if the invoice does not identify separately the medium on which the software is carried from the charge for the software itself - e.g. if the invoice refers merely to 'Windows CD-ROM'. A good is classed as computer equipment and the 'mainly' rules apply. The purchase of customised software, or invoices that refer to licenses to use software, is classed as a 'service' and thus zero rate relief is only available when used 'solely' for qualifying purposes.

'Medicinal product' is a substance presented as a medicine or an ingredient for a medicine, capable of being administered to people or animals for a medicinal purpose. The zero-rate covers medicinal products purchased by a charity for the purpose of testing the efficiency of those products.

"Substances" zero rate relief is available to the University on the purchase of substances used for synthesis or testing in the course of medical or veterinary research. This relief is only available for substances used for synthesis or testing in the course of medical or veterinary research. It does not extend to use for medical care, diagnosis or treatment as in the case of medicinal products, nor does it extend to medical training as in the case of qualifying equipment.

HMRC's definition of 'for a medicinal purpose' is:

- treating or preventing disease
- diagnosing disease or ascertaining the existence or degree of a physiological condition
- inducing anaesthesia, preventing or interfering with the normal operation of a physiological function, whether permanently or temporarily, and whether by terminating, reducing, postponing, increasing or accelerating the operation of that function or in any other way.

The treatment of equipment for medical/pharmaceutical training can be zero rated depending on how the training courses are run. Those with a practical element for pharmaceutical students will be eligible for zero rating where as those courses which is purely theoretical will not be. Where there is a practical element involved in the training for medical treatment then any relevant substances used as part of this practical element would also qualify for zero rating.

'Medical or veterinary training' covers the training of doctors, nurses, surgeons (including dental and veterinary surgeons), and other professionals involved in medical or veterinary diagnosis or treatment. The overall programme of training should include the physical
application by the students of theoretical knowledge. The teaching of subjects like biology and zoology, where the trainee has no practical medical or veterinary involvement with patients, is not medical or veterinary training for the purposes of this VAT relief.

When raising purchase requisitions for such goods, use the tax code PM and Agresso will produce a VAT zero rate certificate on the purchase order, giving the supplier the evidence they need to raise an invoice with zero rate VAT.

**Checklist:**

A brief checklist of allowable and unallowable items is included below, if the item is not included below, please do not hesitate to contact the Tax team for advice.

In VAT Notice 701/6 HMRC preface this table with the following comments. This list is not exhaustive. With the pace of technological change, new types of equipment will often be developed. If an item does not appear on this list, the underlying principles set out in this Notice should be followed to determine if the item is a qualifying one. In areas of doubt, specialist advice should be sought.
## Annex 5.1 Qualifying/Non Qualifying Equipment

<table>
<thead>
<tr>
<th>Eligible for relief</th>
<th>Goods</th>
<th>Eligible for relief as:</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Air conditioners</td>
<td></td>
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<tr>
<td></td>
<td>Air control systems, specialist (capable of precisely controlling pressure, temperature and humidity)</td>
<td>Laboratory equipment</td>
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<tr>
<td>X</td>
<td>Air filters, general</td>
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<tr>
<td></td>
<td>Air filtration systems, specialist (built to meet specific circumstances)</td>
<td>Laboratory equipment</td>
</tr>
<tr>
<td>X</td>
<td>Air showers</td>
<td></td>
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<tr>
<td>X</td>
<td>Alarms, security or smoke</td>
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</tr>
<tr>
<td>X</td>
<td>Alarm bracelets</td>
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<tr>
<td>X</td>
<td>Alcohol spray</td>
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<tr>
<td></td>
<td>Anaesthetic apparatus</td>
<td>Medical equipment</td>
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<td></td>
<td>Animal cages, specialist (for example, free from chemicals and not available for consumer use)</td>
<td>Laboratory equipment</td>
</tr>
<tr>
<td></td>
<td>Aprons, lead lined for x-ray protection</td>
<td>Medical equipment</td>
</tr>
<tr>
<td>X</td>
<td>Aprons, other</td>
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<td></td>
<td>Artificial limbs</td>
<td>Goods for use of disabled person</td>
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<td></td>
<td>Autoclaves</td>
<td>Sterilising equipment</td>
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<tr>
<td>X</td>
<td>Bactericides</td>
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<td></td>
<td>Bandages</td>
<td>Medical equipment</td>
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<td></td>
<td>Barometers</td>
<td>Scientific equipment</td>
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<td></td>
<td>Bedding, specialist (for example, free from chemicals) for animal cages</td>
<td>Laboratory equipment</td>
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<tr>
<td></td>
<td>Bedpans</td>
<td>Medical equipment</td>
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<tr>
<td></td>
<td>Bedpan washers, with sterilising steam cycle</td>
<td>Sterilising equipment</td>
</tr>
<tr>
<td>X</td>
<td>Bedpan washers, other</td>
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<td></td>
<td>Beds, highly specialised e.g. net suspension or medical water beds</td>
<td>Medical equipment</td>
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<td></td>
<td>Beds, hospital - with tilting action or variable height features</td>
<td>Goods for use of disabled person</td>
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<tr>
<td>X</td>
<td>Biocidal sprays</td>
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<td>X</td>
<td>Blankets</td>
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<td></td>
<td>Bunsen burners</td>
<td>Laboratory equipment</td>
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<td></td>
<td>Bottle washers, animal cage specific</td>
<td>Laboratory equipment</td>
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<td></td>
<td>Cages, animal, specialist (for example, free from chemicals and not available for consumer use)</td>
<td>Laboratory equipment</td>
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<tr>
<td>X</td>
<td>Cameras, still</td>
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<td></td>
<td>Cameras, video</td>
<td>Video equipment</td>
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<tr>
<td>X</td>
<td>Cameras, digital (with video capability)</td>
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<td></td>
<td>Cameras, thermal imaging</td>
<td>Scientific equipment</td>
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<tr>
<td>X</td>
<td>Cartridges, printer</td>
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<tr>
<td>X</td>
<td>Catering equipment</td>
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<td></td>
<td>Catheters</td>
<td>Medical equipment</td>
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<tr>
<td>X</td>
<td>CD players or recorders</td>
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<td></td>
<td>Centrifuges</td>
<td>Scientific or laboratory equipment</td>
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<tr>
<td></td>
<td>Chemicals (certain)*</td>
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<tr>
<td></td>
<td>Clamps - medical</td>
<td>Medical equipment</td>
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<tr>
<td>Eligible for relief</td>
<td>Goods</td>
<td>Eligible for relief as:</td>
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<tr>
<td>X</td>
<td>Cleaning equipment</td>
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<tr>
<td>X</td>
<td>Closed circuit television systems</td>
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<td></td>
<td>Commode chairs</td>
<td>Goods for use of disabled person</td>
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<tr>
<td></td>
<td>Computer disks and tapes</td>
<td>Accessory to computer equipment</td>
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<td></td>
<td>Computer keyboards</td>
<td>Computer equipment</td>
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<td></td>
<td>Computer mouse</td>
<td>Accessory to computer equipment</td>
</tr>
<tr>
<td></td>
<td>Computer printers, including networking and multi-function printers, provided there is evidence the item is to be used mainly for medical or veterinary research, and so on.</td>
<td>Accessory to computer equipment</td>
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<td></td>
<td>Computer screens</td>
<td>Accessory to computer equipment</td>
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<td></td>
<td>Computer screen filters</td>
<td>Accessory to computer equipment</td>
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<td></td>
<td>Computer server</td>
<td>Computer equipment</td>
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<tr>
<td>X</td>
<td>Computer stationery</td>
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<tr>
<td></td>
<td>Computer tablet, including iPads</td>
<td>Computer equipment, provided there is evidence the item is to be used mainly for medical or veterinary research, and so on.</td>
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<tr>
<td>X</td>
<td>Cotton wool</td>
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<tr>
<td>X</td>
<td>Curtains</td>
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<tr>
<td>X</td>
<td>Data</td>
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<td></td>
<td>Deep freezers</td>
<td>Refrigeration equipment</td>
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<tr>
<td></td>
<td>Dental chairs</td>
<td>Medical equipment</td>
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<td></td>
<td>Dental drills</td>
<td>Medical equipment</td>
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<td></td>
<td>Dental mirrors</td>
<td>Medical equipment</td>
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<td></td>
<td>Dental spittoons</td>
<td>Medical equipment</td>
</tr>
<tr>
<td>X</td>
<td>Disinfectants</td>
<td></td>
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<tr>
<td>X</td>
<td>DNA sequencing*</td>
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<tr>
<td></td>
<td>DNA primers*</td>
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<tr>
<td>X</td>
<td>Drip poles</td>
<td>Medical equipment</td>
</tr>
<tr>
<td>X</td>
<td>Drugs trolleys</td>
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<td></td>
<td>DVD players, recorders or blank DVDs</td>
<td>Video equipment</td>
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<td></td>
<td>Endoscopes</td>
<td>Medical equipment</td>
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<td>Electro-cardiographs</td>
<td>Medical equipment</td>
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<td>X</td>
<td>Ethernet</td>
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<td></td>
<td>Eye test charts</td>
<td>Medical equipment</td>
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<td></td>
<td>Examination couches, adjustable</td>
<td>Medical equipment</td>
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<td></td>
<td>First aid kits - supplied as pre-packaged units</td>
<td>Medical equipment</td>
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<td>Forceps</td>
<td>Medical equipment</td>
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<tr>
<td>X</td>
<td>Fuel</td>
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<td></td>
<td>Fume cupboards</td>
<td>Laboratory equipment</td>
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<tr>
<td>X</td>
<td>Gloves, nitrile</td>
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<td>Gloves, surgical</td>
<td>Medical equipment</td>
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<tr>
<td>X</td>
<td>Gloves, other</td>
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<tr>
<td>X</td>
<td>Gymnasium equipment</td>
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<tr>
<td>X</td>
<td>Hearing aids</td>
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<tr>
<td></td>
<td>Heart pacemakers</td>
<td>Medical equipment or goods for use disabled person</td>
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<td></td>
<td>Hoists and patient lifting devices</td>
<td>Goods for use disabled person</td>
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<tr>
<td>Eligible for relief</td>
<td>Goods</td>
<td>Eligible for relief as:</td>
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</tr>
<tr>
<td>Howie-style lab coats (reusable)</td>
<td>Laboratory equipment</td>
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<tr>
<td>Howie-style lab coats (disposable)</td>
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<tr>
<td>Hypodermic needles</td>
<td>Medical equipment</td>
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<td>Ice making machines</td>
<td>Refrigeration equipment</td>
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<tr>
<td>Identification bracelets for patients</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>iPads</td>
<td>Computer equipment</td>
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<td>iPhones</td>
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<tr>
<td>Kidney bowls</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>Lab coats, including Howie-style reusable</td>
<td>Laboratory equipment</td>
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<td>Laboratory animals</td>
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<td>Laboratory benches</td>
<td>Laboratory equipment</td>
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<td>Laboratory glassware</td>
<td>Laboratory equipment</td>
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<td>Lockers</td>
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<tr>
<td>Mattresses, specially designed for the relief/prevention of pressure sores</td>
<td>Medical equipment</td>
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<td>Medicine measures, graduated</td>
<td>Medical equipment</td>
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<tr>
<td>Medicinal products*</td>
<td>Scientific or laboratory equipment</td>
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<td>Microscopes</td>
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<td>Mobile phones</td>
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<td>Nurse call systems</td>
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<td>Occupational therapy materials</td>
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<td>Operating lights</td>
<td>Medical equipment</td>
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<td>Overbed tables</td>
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<td>Overhead projection units</td>
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<tr>
<td>Pacemakers</td>
<td>Medical equipment or goods for use of disabled person</td>
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<td>Pagers</td>
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<tr>
<td>Patient trolleys and stretchers</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>Physiotherapy equipment, specialised - other than gymnasium equipment</td>
<td>Medical equipment</td>
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<tr>
<td>Pillows, orthopaedic, specially designed and used for neck or spinal injuries</td>
<td>Medical equipment</td>
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<tr>
<td>Pillows, other</td>
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<tr>
<td>Pipettes</td>
<td>Laboratory equipment</td>
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<td>Power supplies, including UPS</td>
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<td>Printer cartridges</td>
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<tr>
<td>Projectors (including ceiling mounted options)</td>
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<tr>
<td>Rack washers, animal cage specific</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>Radiography equipment</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>Renal dialysis units</td>
<td>Medical equipment or goods for use of disabled person</td>
<td></td>
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<tr>
<td>Resuscitation equipment</td>
<td>Medical equipment</td>
<td></td>
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<tr>
<td>Resuscitation dummies</td>
<td>Resuscitation training model</td>
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<td>Routers</td>
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<td>Scalpels</td>
<td>Medical equipment</td>
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<td>Screens</td>
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<tr>
<td>Sharps bins</td>
<td>Medical equipment</td>
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</tr>
<tr>
<td>Smartphones</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible for relief</td>
<td>Goods</td>
<td>Eligible for relief as:</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>X</td>
<td>Sound systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specialist animal cages (for example, free from chemicals and not available for consumer use)</td>
<td>Laboratory equipment</td>
</tr>
<tr>
<td></td>
<td>Specialist bedding (for example, free from chemicals) for animal cages</td>
<td>Laboratory equipment</td>
</tr>
<tr>
<td></td>
<td>Sphygmomanometers</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Splints</td>
<td>Medical equipment</td>
</tr>
<tr>
<td>X</td>
<td>Stationery</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Sterilising solutions</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Sterilising wipes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Stethoscopes</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Surgical gloves</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Surgical gowns</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Surgical masks</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Suture needles</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Swabs</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Syringes</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Tablet, computer (including iPads)</td>
<td>Computer equipment, provided there is evidence the item is to be used mainly for medical or veterinary research, and so on</td>
</tr>
<tr>
<td>X</td>
<td>Tape recorders</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Telephones</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Television sets</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Test tubes</td>
<td>Laboratory equipment</td>
</tr>
<tr>
<td></td>
<td>Thermal imaging cameras</td>
<td>Scientific equipment</td>
</tr>
<tr>
<td></td>
<td>Thermometers, clinical</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>Thermometers, other</td>
<td>Scientific equipment</td>
</tr>
<tr>
<td></td>
<td>Tongue depressors</td>
<td>Medical equipment</td>
</tr>
<tr>
<td>X</td>
<td>Towels</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Uniforms</td>
<td></td>
</tr>
<tr>
<td></td>
<td>USB memory sticks</td>
<td>Computer equipment</td>
</tr>
<tr>
<td></td>
<td>Video cameras</td>
<td>Video equipment</td>
</tr>
<tr>
<td></td>
<td>Video tapes</td>
<td>Video equipment</td>
</tr>
<tr>
<td></td>
<td>Video players</td>
<td>Video equipment</td>
</tr>
<tr>
<td></td>
<td>Video monitors</td>
<td>Video equipment</td>
</tr>
<tr>
<td>X</td>
<td>Wall screens or monitors</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Waste disposal bags, boxes, jars and sacks</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Waste disposal machinery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Weighing machines</td>
<td>Scientific equipment</td>
</tr>
<tr>
<td></td>
<td>Wheelchairs</td>
<td>Goods for use of disabled person</td>
</tr>
<tr>
<td>X</td>
<td>WiFi systems</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Wipes, clean room</td>
<td></td>
</tr>
<tr>
<td>X</td>
<td>Wipes, sterilising</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wound dressings</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>X-ray films/plates</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>X-ray machines - medical</td>
<td>Medical equipment</td>
</tr>
<tr>
<td></td>
<td>X-ray machines - other</td>
<td>Scientific equipment</td>
</tr>
<tr>
<td></td>
<td>X-ray viewers</td>
<td>Medical equipment</td>
</tr>
</tbody>
</table>
According to HMRC Business Brief 210C_03 HMRC accept that cage and tray liners and research grade litter, bedding and nesting materials are accessories when designed for use in or with specialised laboratory caging. As a result supplies of these products will qualify for zero-rating when supplied to eligible bodies.

HMRC notices:
Notice 701/6 Charity funded equipment for medical and veterinary uses, 9th October 2018
Notice 701/1 Charities, (28th October 2014)
Annex 6    HENLEY BUSINESS SCHOOL

HBS 1    Henley Business School

HBS 1.1    Organisational structure

HBS 1.1.1    Henley Business School operates through a number of entities.

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Status</th>
<th>VAT registration number</th>
</tr>
</thead>
<tbody>
<tr>
<td>University faculty, Henley Business School</td>
<td>UK</td>
<td>University &amp; Eligible Body</td>
<td>GB 200 0126 59</td>
</tr>
<tr>
<td>HBS Limited UK</td>
<td>UK</td>
<td>Subsidiary of the University</td>
<td>GB 996 8987 06</td>
</tr>
<tr>
<td>Henley Business School GmbH</td>
<td>Germany</td>
<td>Subsidiary of the University</td>
<td>DE 285670689</td>
</tr>
<tr>
<td>University of Reading Finland</td>
<td>Finland</td>
<td>Branch of the University</td>
<td>FI 23062300</td>
</tr>
<tr>
<td>Henley Business School (South Africa)</td>
<td>South Africa</td>
<td>Branch of HBS Limited UK</td>
<td>4170281697</td>
</tr>
</tbody>
</table>

HBS 1.2    Eligible body status & VAT exemption for provision of education

HBS 1.2.1    Training or education provided by the University faculty, Henley Business School, is exempt from UK VAT as the University is an eligible body.

HBS 1.2.2    In contrast, because HBS Limited is not an eligible body, training or education provided by HBS Ltd is taxable and subject to VAT.

HBS 1.2.3    HBS Limited only supplies non-accredited courses while the University provides any courses leading to accredited qualifications. Accredited courses
are defined as all university level courses leading to a qualification awarded by a University or a nationally recognised body.

HBS 1.2.3 The University may also provide some non-accredited courses. Any taxable profit made on these non-accredited courses run by the University may be subject to corporation tax if they do not qualify to be treated as primary purpose activities and for the benefit of the public. Short courses often fall into this category. There is exposure to corporation tax for such courses run by the University. When they are run through HBS Limited the profits are sheltered from corporation tax as profits can be “gift aided” to the University.

HBS 1.2.5 HBS Limited must not bill for or be seen to be the establishment “most closely connected to the delivery” of any qualifying courses because there is a risk that this could render the company an eligible body. As an eligible body, HBS Ltd would no longer be able to recover VAT on its expenditure.

HBS 1.3 Zero-rating of training for foreign governments

HBS 1.3.1 Any training HBS Limited supplies to a foreign government in furtherance of its sovereign activities (and not its business activities), is taxable at zero rate (SZ) provided the supplier retains a statement in writing from that government (or its accredited representative), that the trainees are employed in furtherance of its sovereign activities.

HBS 1.4 Which entity to raise invoice & account for VAT?

HBS 1.4.1 The PLACE OF SUPPLY rules define which entity is regarded as being accountable for VAT as the one which is “most directly connected with the supply”. The factors to consider are:

- from where the services are actually provided
- which entity is named on contracts, correspondence and invoices
- where the directors or others entering the contracts are permanently based and
- at which establishment decisions are taken and controls are exercised over the performance of the service.

HBS 1.4.2 Normally, it is entity which provides the service which is deemed to be the “most directly connected” with the supply, even if the contractual position is different.

HBS 1.4.3 For Henley, the decision over which entity should bill for a course is not straightforward as there may be a number of parties contributing to the delivery of a course.
Illustration

HBS Limited contracts with a German customer to run a series of courses in Germany for their staff. The University’s German subsidiary has no involvement with the German customer. HBS Limited provides the trainers and organises the event for the customer and asks the German subsidiary to book a venue for the event. HBS Ltd should bill the client for the training.

HBS Limited contracts with a German client to deliver a course in Germany. The services are provided and invoiced by the University of Reading’s German subsidiary. The services are provided and invoiced by the University’s German subsidiary. Customers’ day to day contact is with the German subsidiary and they pay the German subsidiary. The German subsidiary is due to account for any VAT due regardless of the fact that HBS Limited contacts with the German subsidiary.

HBS 1.5 Where is VAT due - “place of supply”?

HBS 1.5.1 Once a decision has been made about which entity should account for the VAT due you then have to determine where VAT is due. Reference needs to be made to the place of supply rules

HBS 1.5.2 The general rule for place of supply for a customer that belongs in another EU member state is given below and would apply unless the supply fits into one of the categories of exception.

<table>
<thead>
<tr>
<th>GENERAL RULE</th>
<th>B2B</th>
<th>B2C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer is a VAT registered businesses</td>
<td>Customer is an individual/non VAT registered business</td>
<td></td>
</tr>
<tr>
<td>Place of supply</td>
<td>Where the customer belongs</td>
<td>Where the supplier belongs</td>
</tr>
<tr>
<td>Invoicing requirements</td>
<td>Use Tax code SE – 0% Need to quote the customer’s VAT registration no on the invoice and state “this supply is subject to reverse charge VAT”.</td>
<td>Treat for VAT purposes as if the customer were a UK business or individual.</td>
</tr>
</tbody>
</table>

HBS 1.5.3 Exceptions to general rule for place of supply are outlined below:-
### EDUCATIONAL EVENTS AND SERVICES

<table>
<thead>
<tr>
<th>B2B</th>
<th>B2C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admission to educational events (and ancillary services)</td>
<td>Where the event is held</td>
</tr>
<tr>
<td>Other services related to educational or scientific activities and ancillary services</td>
<td>General rule- where the customer is</td>
</tr>
</tbody>
</table>

**HBS 1.6 Which category does the income fall into?**

**HBS 1.6.1** HMRC’s position around what would fall to be treated as a fee for “admission” to an educational event rather than a fee for the provision of education is not clear. This distinction is important when the customer is not UK based or the event does not take place in the UK.

**HBS 1.6.2** It is often important to differentiate between an event and an activity itself. For example, seminars or conferences may have an educational nature and this may be the purpose behind those attending. Where these are of a singular nature or short duration, this does not preclude them from falling into the definition of an “event” rather than a “supply of education”. However, individual tuition or extended courses would clearly be supplies of education rather than events. It is therefore important to consider all relevant factors surrounding a supply when deciding whether a service is one of an event or a supply of education.

**HBS 1.6.3** If the event itself is only a small or minor part of the supply then it may be considered to be incidental or ancillary to main element. For example, an education course may consist of extensive reading materials, marked assignments and examinations, along with a number of classroom sessions. In this case the classroom session, which could potentially otherwise be seen as an event, would represent a non-dominant part of the overall supply of education.

**HBS 1.6.4** The following table summarises the place of supply anticipated for the different types of courses and the relevant VAT treatment of the course fees. Note a full VAT table is available on request, this table only covers the treatment of course fees and not accommodation or any other charges. Each...
course should be assessed on its own merits in light of the above guidance to ensure that the table below applies to that course.

### VAT TREATMENT OF CHARGE FOR COURSE FEES ONLY

*(see full table for treatment of associated charges eg. accommodation, meals etc)*

<table>
<thead>
<tr>
<th>Course type</th>
<th>Length</th>
<th>HMRC category</th>
<th>UK client/ Non VAT regd EU Client</th>
<th>EU VAT registered client</th>
<th>Outside EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>All</td>
<td>Admission to an event</td>
<td>ST-20%</td>
<td>ST-20%</td>
<td>ST-20%</td>
</tr>
<tr>
<td>Closed</td>
<td>1 day long</td>
<td>Admission to an event</td>
<td>ST-20%</td>
<td>ST-20%</td>
<td>ST-20%</td>
</tr>
<tr>
<td>Closed</td>
<td>&gt;1 day **</td>
<td>Supply of education</td>
<td>ST-20%</td>
<td>SE-0%</td>
<td>SO-0%, Outside the scope of VAT</td>
</tr>
</tbody>
</table>

**HBS 1.6.5** The table above has been prepared on the assumption that closed courses running for more than 1 day are expected to fall to be treated as ‘supply of education’ but this needs careful consideration as this may not always be appropriate. On that basis, UK VAT would not be due if the client is VAT registered in the EU (SE-0%) or if the client is from outside the EU.

**HBS 1.6.6** To justify this to HMRC, the course needs to be specifically designed and developed for that client. The charge to the delegates would then be for more than simply attendance at the event, the charge is for preparatory work and the design of material for those particular delegates. The course would also involve an element of interaction between the delegates and markers/assessors or mentors or peers either or both before and after the event such that the attendance at the event is not the dominant element of the service supplied.

**HBS 1.6.7** This extract of the full table only covers the charge for the course and not other associated charges e.g. accommodation, meals etc.
HBS 1.7 Admission to an educational event

HBS 1.7.1 Where HBS Limited organises an educational event in the UK and charges delegates for attending, VAT on income from that event would be due where the event takes place. This means that where HBS Limited organises a course at Greenlands and bills a French company for the course then UK standard rate VAT is due (ST). If the event had been a longer training course falling within the definition of provision of an educational service then the French company would not have paid UK VAT and would have been required to account for VAT in France, under the reverse charge mechanism.

HBS 1.7.2 If the University organises that same event then all income from that event would be exempt (SX) as it would have been delivered by the University, an eligible body.

HBS 1.7.3 If HBS Limited organises an educational event in Spain then there would be a liability in Spain (assuming such events are subject to VAT under Spanish VAT rules). HBS Limited is not registered for VAT in Spain and there would be a risk that HBS Limited would then be obliged to register for VAT in Spain unless the sum of all of HBS’s taxable income in Spain fell below the threshold for registration in Spain.

HBS 1.8 Provision of an educational service

HBS 1.8.1 Where, rather than hosting an event, HBS Ltd delivers a week long open training course at Greenlands this would generally fall to be treated as the provision of an educational service rather than admission to an event. However, this will not always be the case. If the event were a conference where a number of sponsors were demonstrating products and a lot of the course didn’t actually involve delivery of training by Henley faculty including external visiting faculty then this would be treated as an event rather than delivery of education.

HBS 1.8.2 When billing a VAT registered business in another EU country no UK VAT would be charged (tax code SE), the client would, instead have to account for VAT in their country under the reverse charge mechanism. An individual delegate would be charged UK VAT as the service was delivered in the UK.

HBS 1.8.3 If the University’s faculty organises, delivers and bills for a short course for a number of corporate clients the income from that event would be exempt (SX) as it would have been delivered by the University, an eligible body.

HBS 1.9 Charging for accommodation alongside a course
HBS 1.9.1 If the University’s Henley faculty were to run a week long course in the UK and provide accommodation to the delegates and the charges for the course were inclusive of accommodation the full amount charged would be exempt from VAT.

HBS 1.9.2 Where HBS Limited charges delegates for meals, accommodation and alcohol these are subject to UK VAT irrespective of where the customer is located. Therefore the tax treatment on the invoice raised by HBS Limited to a VAT registered French business for staff attending a week long closed course in the UK would be as follows:

<table>
<thead>
<tr>
<th>University Bill to French company for training</th>
<th>Fee</th>
<th>Place of supply rule applicable</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>SX Course fee (including accommodation)</td>
<td>£2,000 + 0%</td>
<td>Provision of education by eligible body</td>
<td>Irrelevant – EB &amp; course in UK</td>
</tr>
<tr>
<td>ST Separate charges for alcohol/drinks (place of supply UK)</td>
<td>£ 150 + 20%</td>
<td>Where performed</td>
<td>UK</td>
</tr>
<tr>
<td>ST Internet access</td>
<td>£ 25 + 20%</td>
<td>Where performed</td>
<td>UK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HBS Ltd bill to French company for training</th>
<th>Fee</th>
<th>Place of supply rule applicable</th>
<th>B2B</th>
</tr>
</thead>
<tbody>
<tr>
<td>SE Course fee</td>
<td>£1,500 + 0% (subj. to reverse charge)</td>
<td>Provision of education</td>
<td>Where the customer is</td>
</tr>
<tr>
<td>ST Separate charges for alcohol/drinks (place of supply UK)</td>
<td>£ 150 + 20%</td>
<td>Where performed</td>
<td>UK</td>
</tr>
<tr>
<td>ST Accommodation (where separately charged and not included in course fee)</td>
<td>£500+20%</td>
<td>Land related</td>
<td>UK</td>
</tr>
<tr>
<td>ST Internet access</td>
<td>£ 25 + 20%</td>
<td>Where performed</td>
<td>UK</td>
</tr>
</tbody>
</table>
HBS 2  HBS University

(rather than HBS Ltd/HBS Finland Branch)

HBS 2.1  Accommodation & conferences

HBS 2.1.1  Where an attendee of a conference run by HBS University is billed for the course fee, accommodation, food, and travel then this will be treated as the supply of exempt education and no VAT will be due. Tax code SX would apply to these charges (any charge for alcohol would be subject to standard rate VAT). Charges for alcohol are always subject to VAT. Accommodation provided the night after the end of a conference would be subject to VAT on the basis that this is not a part of the course and is optional.

HBS 2.1.2  In contrast, all charges for conferences and accommodation provided in the UK by HBS Limited would be subject to VAT irrespective of the event.

HBS 2.2  Recharging other costs

HBS 2.2.1  Charges for accommodation, outings, events, tickets to venues, passenger transport, meals and car hire these must all be billed on at cost i.e. the cost charged by the 3rd party for these services and include no other additional costs, overheads or mark up. The contract with the client for the delivery of the training and on which these recharges are made must clearly state that the University or HBS Limited is acting as “disclosed agent” on behalf of the client i.e. that the client authorises the University or HBS Limited to incur these costs on their behalf and acknowledges their liability for these costs.
**HBS 2.3  HBS Faculty MBA/ Other courses**

**HBS 2.2.1** When the HBS University organises and charges for education or training in the UK either by way of a qualifying, open or closed course the supply will always be exempt(SX) from VAT regardless of who the customer is. Fundamentally, as an eligible body, any education (open or closed courses) the University provides (where the UK is the establishment most closely linked to that supply) will be exempt from UK VAT.

**HBS 2.2.2** However, consultancy provided by the University would be subject to VAT.

**HBS 2.2.3** Where the University faculty delivers training overseas VAT or its equivalent may be due depending on the rules in that country.

**HBS 3  General Henley Issues**

**HBS 3.1  Membership subscriptions**

**HBS 3.1.1** The provision of membership benefits to members of a club or association is a business activity. The VAT liability of a membership subscription will depend on the benefits being supplied.

**HBS 3.1.2** In most cases a package of benefits is supplied and the provider has to decide if there is one principal benefit, to which all of the other benefits are incidental, the whole subscription is treated as a single supply and the VAT liability will follow that of the principal benefit. However, as a concession, charities and non-profit making organisations can treat their single supplies of membership benefits as multiple supplies.

**HBS 3.1.3** HBS Limited bills clients for membership of the Henley Partnership. This fee provides access to a number of “master classes”, access to a dedicated website, invitations to lectures and membership of a resource centre at HBS Ltd. The principal supply here is the provision of education and, where this is undertaken by HBS Limited this is subject to VAT.

**HBS 3.3  Income from social events for alumni and others**

**HBS 3.3.1** Income from the HBS members day (A3190733) and the Henley golf day (A3190738) is taxable with VAT on associated spend being recoverable. These events are purely social occasions and as such are taxable.

**HBS 3.3.2** If instead, these events were to qualify as fundraising events run by the University of Reading the income would be exempt from tax and any VAT on
spend would be irrecoverable. To qualify as fundraising events the attendees must be made aware that the event has been organised for the purpose of fundraising. This will include ticket sales, admission charges, advertising space in programmes / brochures, merchandise, bar and catering supplies and sponsorship income directly connected with the event.
Annex 7    VAT and zero rating of books etc.

7.1    Background

The following list of items may be zero rated, under Schedule 8, Group 3 of the VAT Act 1994

2. Newspapers, journals and periodicals.  
3. Children's picture books and painting books.  
4. Music (printed, duplicated or manuscript).  
5. Maps, charts and topographical plans.  
6. Covers, cases and other articles supplied with items 1 to 5 and not separately accounted for.

Note:  
Items 1 to 6 -  
(a) do not include plans or drawings for industrial, architectural, engineering, commercial or similar purposes; but  
(b) Include the supply of the services described in paragraph 1(1) of Schedule 4 in respect of goods comprised in the items.

7.2    The format of the Group 3 items

The words in Group 3 are used in their ordinary, everyday sense. This means they are restricted to goods produced on paper and similar materials such as card. Most items qualifying for the zero-rating will be products of the printing industry (including items printed in Braille), but goods which are photocopied, typed or hand-written will, in some cases, also qualify.

Goods containing text in other formats such as audio or video cassettes or CD Rom are standard-rated. This includes the storage and distribution of text by fax, e-mail, microfiche, or any similar process. Transcripts or print-outs made of such information are zero-rated if they are supplied in the form of books, booklets, brochures, pamphlets or leaflets.

The supply of text by electronic transmission, via the internet, or similar means is also standard-rated. Such supplies are of services, not of goods, and different VAT rules will apply to them.
7.3 VAT Liability of some common items

In the list below are HMRC rules on the liability of items which are commonly the subject of queries about the zero-rating for books etc.

However, you should not assume that an article is zero-rated under group 3 just because it is not shown as standard-rated in the list, or determine liability by referring only to this list. You must satisfy yourself by reference to the general body of advice in this notice that the product qualifies for zero-rating under one of the items of Group 3. If you require any further assistance, please do not hesitate to contact vat@reading.ac.uk.

<table>
<thead>
<tr>
<th>Item</th>
<th>Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Account Books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Accounts (fully printed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Address books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Advertising leaflets</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Agendas (fully printed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Albums</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Almanacs</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Amendment slips</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Amendments (loose-leaf)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Announcement cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Annuals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Antique books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Antique maps</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Appointment cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Articles of association (complete in booklet form)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Astronomical charts</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Atlases</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Item</td>
<td>Rating</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Autograph albums (uncompleted)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Autograph books (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Badges</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bags, paper</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Ballot papers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bankers’ drafts</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Banners</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bibliographies</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Billheads</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bills of lading</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bills of quantity (blank)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bills of quantity (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Binders</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Bingo cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Biorhythm charts</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Blotters</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Book covers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Book marks</td>
<td>Standard-rated</td>
</tr>
<tr>
<td><strong>Book tokens</strong></td>
<td>Standard-rated</td>
</tr>
<tr>
<td><strong>Booklets</strong></td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Bookmakers’ tickets</td>
<td>Standard-rated</td>
</tr>
<tr>
<td><strong>Books</strong></td>
<td>Zero-rated</td>
</tr>
<tr>
<td><strong>Brochures</strong></td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Bulletins</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Business cards</td>
<td>Standard-rated</td>
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<tr>
<td>Calendars</td>
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<td>Catalogues</td>
<td>Zero-rated</td>
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<tr>
<td>Certificates</td>
<td>Standard-rated</td>
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<tr>
<td><strong>Charts (geographical or topographical)</strong></td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Item</td>
<td>Rating</td>
</tr>
<tr>
<td>------------------------------------------------</td>
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</tr>
<tr>
<td>Cheques and cheque books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Cigarette cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Circulars</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Cloakroom tickets</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Colour cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Colouring books (children’s)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Comics</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Company accounts and reports</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Compliment slips</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Copy books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Correspondence cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Coupon books</td>
<td>Standard-rated</td>
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<td>Coupons</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Credit cards</td>
<td>Standard-rated</td>
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<tr>
<td>Crossword books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Delivery notes</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Diaries (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Diaries (unused)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Dictionaries</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Directories (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Dividend warrants</td>
<td>Standard-rated</td>
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<tr>
<td>Dressmaking patterns</td>
<td>Standard-rated</td>
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<tr>
<td>Election addresses</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Encyclopaedias</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Engineers’ plans</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Envelopes</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Exam Papers</td>
<td>Zero-rated (see Item Description below)</td>
</tr>
<tr>
<td>Exercise books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Item</td>
<td>Rating</td>
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<tr>
<td>-------------------------------------</td>
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</tr>
<tr>
<td>Fashion drawings</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Flash cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Flyers</td>
<td>Normally Zero-rated (see Item Description below)</td>
</tr>
<tr>
<td>Folders</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Football pool coupons</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Football programmes</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Form letters</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Forms</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Framed decorative maps</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Games</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Geological maps</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Globes</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Graph paper</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Greetings cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Handbills</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Holiday and tourist guides</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Hydrographical charts</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Hymn books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Index cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Inlay cards for cassette, CD or video</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Instruction manuals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Insurance cover notes</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Invitation cards</td>
<td>Standard-rated</td>
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<tr>
<td>Invoices</td>
<td>Standard-rated</td>
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<tr>
<td>Journals</td>
<td>Zero-rated</td>
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<td>Labels</td>
<td>Standard-rated</td>
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<tr>
<td>Leaflets</td>
<td>Zero-rated</td>
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<tr>
<td>Letter headings</td>
<td>Standard-rated</td>
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<tr>
<td>Item</td>
<td>Rating</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Letters (handwritten)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Log books (blank)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Loose leaf books</td>
<td>Zero-rated</td>
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<tr>
<td>Lottery tickets and cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Magazines</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Mail order catalogues</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Manuals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Manuscript paper</td>
<td>Standard-rated</td>
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<tr>
<td>Manuscripts</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Maps</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Medical records</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Membership cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Memo pads</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Memoranda of association (completed in booklet form)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Memorial cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Menu cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Microfiche</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Microfilm</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Microform copies</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Missals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Monographs</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Music</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Music rolls</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Music scores</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Newspapers</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Note books, pads and paper</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Order books and forms</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Item</td>
<td>Rate</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Orders of Service</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Painting books (children’s)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Pamphlets</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Paper, unprinted</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Parts of books (see paragraph 4.4)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Pattern cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Periodicals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Photograph albums</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Photographs</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Photocopies</td>
<td>Normally Standard Rated (see Item Description below)</td>
</tr>
<tr>
<td>Picture books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Plans</td>
<td>Normally Standard Rated (see Item Description below)</td>
</tr>
<tr>
<td>Playing cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Poll cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Pools coupons</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Postcards (whether completed or not)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Poster magazines</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Posters</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Post and Packaging</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Prayer books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Price cards and tags</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Price lists (fully printed leaflets or brochures)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Printed pictures</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Programmes</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Questionnaires</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Rag books (children’s)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Receipt books and forms</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Item</td>
<td>Rating</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Recipe books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Record books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Record labels</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Record sleeves</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Registers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Rent books</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Reply-paid coupons and envelopes</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Reproductions of paintings</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Road maps</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Score cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Scrap books (blank)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Scrap books (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Scrolls (hand-written)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Seals</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Shade cards (unless they contain substantial printed text)</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Share certificates</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Ships’ logs (completed)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Sports programmes</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Staff journals</td>
<td>Zero-rated</td>
</tr>
<tr>
<td><strong>Stamp albums (whether completed or not)</strong></td>
<td>Standard-rated</td>
</tr>
<tr>
<td><strong>Stationery</strong></td>
<td>Standard-rated</td>
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<tr>
<td><strong>Stationery books</strong></td>
<td>Standard-rated</td>
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<tr>
<td>Stickers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Swatch books</td>
<td>Standard-rated</td>
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<tr>
<td>Swatch cards</td>
<td>Standard-rated</td>
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<tr>
<td>Sweepstake tickets</td>
<td>Standard-rated</td>
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<tr>
<td>Tags</td>
<td>Standard-rated</td>
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<tr>
<td>Item</td>
<td>Rating</td>
</tr>
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<td>------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Temperature charts</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Text books</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Theses</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Tickets</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Time cards and sheets</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Timetables (in book or leaflet form)</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Tokens</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Topographical plans</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Toys</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Tracts</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Trade catalogues</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Trade directories</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Transcripts</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Transfers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Transparencies</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Travel brochures</td>
<td>Zero-rated</td>
</tr>
<tr>
<td>Visiting cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Vouchers</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Wall charts</td>
<td>Standard-rated</td>
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<tr>
<td>Waste paper</td>
<td>Standard-rated</td>
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<tr>
<td>Wills</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Winding cards</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Wrapping paper</td>
<td>Standard-rated</td>
</tr>
<tr>
<td>Wreath cards</td>
<td>Standard-rated</td>
</tr>
</tbody>
</table>
7.4 Item Descriptions

7.4.1 Books and booklets

These normally consist of text or illustrations, bound in a cover stiffer than their pages. They may be printed in any language or characters (including Braille or shorthand), photocopied, typed or hand-written, so long as they are found in book or booklet form. Supplies of any of the following are zero-rated: literary works; reference books; directories and catalogues; antique books; collections of letters or documents permanently bound in covers; loose-leaf books, manuals or instructions, whether complete with their binder or not; and amendments to zero-rated loose-leaf books, even if issued separately. School work books and other educational texts in question and answer format, are zero-rated because the spaces provided for the insertion of answers are incidental to the essential character of the book or booklet. The same applies to exam papers in question and answer format provided they qualify as books, booklets, brochures, pamphlets or leaflets. But supplies of the following are standard-rated: books of plans or drawings for industrial, architectural, engineering, commercial or similar purposes; picture card and stamp albums, unless they contain a substantial amount of reading matter which is complete in itself, and no more than 25% of the album is set aside for the mounting of cards and stamps; completed stamp albums; and products that are essentially stationery items, for example, diaries and address books.

7.4.2 Brochures and pamphlets

These are not defined in law and whether a particular product qualifies as a brochure or pamphlet is a matter of fact and impression. Brochures usually consist of several sheets of reading matter fastened or folded together, which are not necessarily bound in covers. They usually contain advertising material in the form of text or illustrations. Pamphlets are similar, but are usually comprised of material of a political, social or intellectual nature. Single sheet brochures and "Wallet" type brochures designed with a flap may be zero-rated provided they: convey information; and contain a substantial amount of text, with some indication of contents or of the issuing organisation; and are not primarily designed to hold other items; and are supplied complete.

7.4.3 Flyers

Most Flyers will be zero rated for VAT purposes but there are some exceptions:

- VAT is chargeable if your Flyer is used as admission to premises, using the words 'free admission with this flyer' or similar.
- VAT is chargeable if your Flyer is used to obtain a discount on goods or services, using the words '10% off' or similar.
- VAT is chargeable if your Flyer has an area designed to be written on.
7.4.4 Leaflets

These are also not defined in law and again whether a particular product qualifies as a leaflet is a matter of fact and impression. Leaflets normally: consist of a single sheet of paper not greater than international standard A4 in size (larger publications up to A2 size can be zero-rated provided that they are printed on both sides, folded down to A4 size or smaller and meet the other conditions); are intended to be held in the hand for reading by individuals (rather than for hanging up for general display); convey information; are complete (and not a part work); are supplied in sufficient quantity (at least 50 copies) to permit general distribution; are printed on limp paper; and will either be of an ephemeral nature (designed to be read a few times and then thrown away) or be designed to accompany some other product or service, for example an instruction leaflet. Items printed on stiff paper and card are not automatically excluded from the definition of leaflets. However we do regard the use of stiff paper and card as an indicator that the items have a function which would exclude them. For example if the item’s main function were designed to be kept or used for a specific purpose in its own right, rather as ancillary to another supply, it would not be a leaflet. Examples of items that would not be leaflets would be those designed to be used for any of the following: as a calendar; to obtain admission to premises; to obtain a discount on goods or services; as reference material; or for completion or return. We consider that items printed on laminated paper are designed to be kept and therefore not leaflets. On the other hand, orders of service are not normally designed to be kept and may be zero-rated.

7.4.5 Items with areas for completion

Items which might otherwise be considered to be leaflets, brochures and pamphlets may not be zero-rated if they are primarily intended for completion or detachment. This distinguishes brochures, pamphlets and leaflets from standard-rated forms. We accept that items are not primarily intended for completion or detachment if 25% or less of their total area consists of: areas which are blank and available for completion; or parts to be detached and returned. Where there is both an area for completion and a part to be detached and returned, then the two together must not exceed 25% of the total area of the publication. If you have items with areas for completion or detachment which does exceed 25%, but you consider they are nevertheless not primarily forms or other stationery, you should obtain a written ruling from our National Advice Service before zero-rating them. Whatever the area for completion, a publication which is designed to be returned whole after completion is always standard-rated.

7.4.6 Newspapers

Newspapers are issued at least once a week in a continuous series under the same title. Each issue is usually dated and/or serially numbered. They usually consist of several large sheets folded rather than bound together, and contain information about current events of local, national or international interest. Publications which do not contain a substantial amount of news are not newspapers. Many newspapers also carry items such as readers’ letters, sports news, the weather forecast, crosswords and features (including feature supplements) on fashion, gardening, etc., or more specialised topics.
7.4.7 Journals and periodicals

These are magazines issued in a series at regular intervals, more frequently than once a year, either in newspaper format or as paper-bound publications. They may contain information of a specialised nature (for example legal, medical, financial, commercial, fashion or sporting) or be of more general interest. They are normally a mixture of articles and stories with the content changed for each edition. Although they consist essentially of reading matter, they may also consist mainly of illustrations or advertising matter.

7.4.8 ‘Poster-magazines’

which have some textual material on one side and a related picture capable of being used as a poster on the other side and which are folded into a magazine format are zero-rated as periodicals, provided they are issued at regular intervals. Publications whose main purpose is to promote your own products or services are not journals or periodicals, even if they are published regularly. If you supply such publications, you can still zero-rate them if they fall within one of the zero-rated categories, such as brochures.

7.4.9 Children’s picture books

These are zero-rated, whether they are printed on paper, plastic or textiles, such as children’s rag books, unless the article is essentially a toy. Examples of articles which are standard-rated as toys include: books consisting wholly or mainly of pictures of models for cutting out - but books with printed text directly related to the material for cutting out covering at least 25% of the pages can be zero-rated. (Pages of assembly instructions should not be included as printed text for the purpose of determining eligibility for zero-rating); and items where the "pages" are boards for games.

7.4.10 Children’s painting books

Supplies of the following are zero-rated: children’s painting and drawing books with sample pictures for copying, or outlines of pictures for colouring, painting or drawing; similar books with ‘invisible’ outlines to colour which can be made visible by rubbing with a pencil or applying water with a paint brush; painting books in which the small amounts of water colour required for colouring are contained in the book (for example, in the form of a palette); and activity books which combine pages of colouring with pages of puzzles, quizzes and the like.

7.4.11 Music

Printed, duplicated or manuscript music of all kinds is zero-rated. It may be: instrumental or vocal; printed or hand-written; bound or on loose sheets; illustrated or not; or in any system of notation, including numerical symbols or Braille. Music rolls and blank music manuscript are standard-rated. A piece of music commissioned from a composer is standard-rated

7.4.12 Maps, charts and topographical plans
Supplies of all printed maps and charts designed to represent the natural or artificial features of countries, towns, seas, the heavens, etc are zero-rated. They can be printed on paper or other material (such as cloth) and in the form of single or folded sheets or a collection of such sheets bound together in book form (for example, an atlas). But supplies of any of these are **standard-rated**: plans or drawings for industrial, architectural, engineering, commercial or similar purposes, in any format; framed maps whose primary purpose is decorative; posters; pictorial wall charts; aerial photographs; globes, three dimensional models and similar articles; or decorative maps printed or woven into textile articles such as scarves, handkerchiefs, tea-towels, tapestries, rugs.

### 7.4.13 Posters

Sheets intended for public display are standard-rated.

### 7.4.14 Stationery

Stationery items such as account books and exercise books are standard-rated. Some items which are standard-rated stationery when new and unused can be zero-rated if sold after they have been completed, provided that they then have the physical characteristics of a book or other zero-rated item. Examples are completed diaries or ships’ logs, but not completed stamp albums.

### 7.4.15 Letters

Individual manuscript or typed letters are standard-rated, as are collections of such letters if they are unbound or loosely bound. Permanently bound collections of letters are zero-rated.

If a ‘stock’ or basic letter is supplied with an individual name or address of the recipient added (by whatever means) that supply is standard-rated. Uncompleted ‘stock’ or basic letters may qualify as leaflets, if the portion for completion consists of no more than the recipient’s name and address, a reference number and a signature.

### 7.4.16 Incomplete publications

Parts of books, unbound pages and separate illustrations are standard-rated.

By concession, the following are zero-rated:

- Part work publications designed to build up into a zero-rated book. Once a complete book has been supplied, amendments to it may also be zero-rated.
- Card based continuity series publications, even though not bound, but stored in their container will for, VAT purposes, be treated as a book.

### 7.4.17 Photocopies
Photocopies of zero-rated items are always standard-rated unless the copies can be properly described as books, booklets, brochures, pamphlets, leaflets etc, and meet all the criteria for such items in the relevant preceding paragraphs. A bundle of photocopies would not constitute a book unless it included copies of all the pages of a book and was in a permanent binding. Photocopies of parts of books, extracts from periodicals etc cannot be zero-rated unless they are complete in themselves and have the characteristics of zero-rated items.

If you provide ‘instant’ photocopying or duplicating services and you cannot determine the VAT liability of the copies which you supply, you should charge and account for VAT at the standard rate.

### 7.4.18 Incidental articles supplied with zero-rated items

Minor accessories for example dust covers, clasps, book marks, slip cases and presentation cases, supplied with any zero-rated items, are usually regarded as forming part of the zero-rated item.

### 7.4.19 Binders and folders

Ring-binders and similar binders supplied on their own are zero-rated if they are designed to contain a loose-leaf book, provided the exact title of that book is printed on the outside. A company name alone is not enough for zero-rating. A binder supplied with loose-leaf pages to make a book is treated as part of the zero-rated supply whether titled or not. All other binders or files for general or office use are standard-rated. This includes binders for part works, journals or periodicals (whether specifically titled or not).

Most folders and wallets are standard-rated but if they convey information themselves they may qualify as brochures.

### 7.4.21 Book tokens

<table>
<thead>
<tr>
<th>If you…</th>
<th>Then…</th>
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<tbody>
<tr>
<td>print book tokens for someone</td>
<td>your supply is standard-rated</td>
</tr>
<tr>
<td>sell a book token to the general public for its face value or less</td>
<td>no VAT is due</td>
</tr>
<tr>
<td>sell a book token to the general public for more than its face value</td>
<td>you must <strong>account for VAT</strong> on the difference between your selling price and its face value</td>
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</tbody>
</table>
7.4.21 Small order surcharges

If you impose a surcharge for handling a small order, which increases the unit price of the goods, it is part of the price of the goods and is zero-rated if the goods are zero-rated.

7.4.22 Subsidy or vanity publishing

Subsidy or vanity publishing occurs when an author who is unable to have work published pays a publisher to do so. If the publisher produces books which are all delivered to the author, the payment by the author is a consideration for a supply of books and is zero-rated.

If the bulk of the books remain with the publisher, payment by the author is partly for the supply of books (zero-rated) and partly for publishing services (standard-rated).

7.4.23 Special Rules for Charities

Certain specific items printed for charities used in connection with collecting monetary donations are zero rated. It is only items such as collecting envelopes and letters requesting money that qualify. (Customs Extra Statutory Concession (ESC)).

Charities do not get a blanket ruling on all printed matter.

Annex 8  Estates and Facilities

Zero rate VAT relief on construction of buildings

This relief is available on the construction of

a. dwelling or

b. a building intended to be used solely* for a relevant residential purpose i.e. student hall (RRP (note a))

c. a building intended to be used solely* for a relevant charitable purpose (RCP).

Where the University is either:

- buying the freehold/long lease (ie. >21 years) of a new building and
- buying the building from the person who has ‘person constructing’ status and
- it is the first sale or long lease of the building and
- where applicable it issues a certificate to the supplier

*HMRC defines *solely” as meaning more than 95%. Until 31 March 2015, summer lets to non-students can be ignored in calculating “95% use”, but from 1 August 2015 such lets cannot be ignored for buildings constructed after that date.

Note a: RRP relief is available only to a university not to private provider.

**Zero rate relief - RRP and RCP**

To obtain zero rate VAT relief the University has to issue VAT certificates to the builder, monitor compliance with the certificate, and repay HMRC if it changes its use of the building within 10 years. If the use no longer qualifies for zero rate VAT the University will have to pay HMRC part of the VAT that would have been charged when the building was constructed.

**Zero rate relief– dwellings**

To qualify for this relief the dwelling must:

- consist of self-contained living accommodation,
- there can be no provision for direct internal access from the dwelling to any other dwelling or part of a dwelling, and
- the separate use or disposal of the dwelling cannot be prohibited by the terms of any covenant, statutory planning consent or similar provision, and
- statutory planning consent has been granted in respect of that dwelling and its construction or conversion has been carried out in accordance with that consent.

The University need not issue a zero rate certificate for construction of a dwelling. Instead, the builder must be satisfied that the building qualifies as a dwelling for zero rating purposes. Unlike RCP/RRP projects there is no requirement for ongoing monitoring of the use of the building. Spend on extension of dwellings may also be zero rated if creates additional dwellings.

**Limitations on the scope of zero rate relief on construction**

Although zero rating is available for services related to construction, it does not extend to the services of the architect/ surveyor/ consultant/ project supervisors. Zero rating, however, will apply to the entire project if all costs are part of a design and build project where construction and professional services are supplied as a single package.

The following do not qualify for zero rate relief as construction:
- conversion/reconstruction/alteration of an existing building.
- enlargement/extension of an existing building unless it creates an additional dwelling or dwellings.

**Reduced rate (5%) VAT relief for conversion/empty property renovation**

The scope of this VAT relief is outlined below:

“**Conversion**” covers the following:
- converting a single household dwelling to increase the number of dwellings in a building.
- converting a multiple occupancy dwelling into an RRP-i.e. a student hall.
- converting a commercial building into a dwelling.

“**Renovation/alteration of empty properties**” covers:
- renovation / alteration of a single household dwelling, a RRP building or houses in multiple occupation not occupied for > 2 years.
Annex 9  Relevant HMRC notices

HMRC website
https://www.gov.uk/government/organisations/hm-revenue-customs
https://www.gov.uk/government/collections/vat-notices-alphabetical-order

Notice 700  The VAT Guide, All sections
Notice 701/1  Charities
Notice 701/6  Charity funded equipment for medical and veterinary uses
Notice 701/7  Reliefs from VAT for disabled and older people
Notice 701/30  Education and Vocational Training
Notice 701/41  Sponsorship
Notice 701/45  Sports
Notice 701/58  VAT when you supply services or goods to charities
Notice 706  Partial Exemption
Notice 706/2  Capital goods scheme
Notice 708  Buildings and construction
Notice 709/3  Hotels and holiday accommodation
Notice 742  Land and Property
## Annex 10  Duty Relief application for Scientific Instruments

**DUTY RELIEF APPLICATION FOR SCIENTIFIC INSTRUMENTS**

& DONATED MEDICAL GOODS

*Please refer to the notes on page two of this form and to Notice 340 or 341 (as appropriate) before completion*

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<tbody>
<tr>
<td>1. User name &amp; address (include contact name and department):</td>
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<tr>
<td>Contact Telephone Number:</td>
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<td>2. Overseas consignor name &amp; address:</td>
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<td>3. Goods:</td>
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<td>• Description:</td>
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<td>• Tariff Classification (if known):</td>
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<td>• Quantity:</td>
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<td>• Value:</td>
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<td>• Brief Description of main function:</td>
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<td>4. Reason for import (research purposes, teaching aids, etc.):</td>
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<tr>
<td>5. DECLARATION</td>
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<tr>
<td>I certify that the information on this application is to the best of my knowledge true.</td>
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<tr>
<td>Signature: (see note 7)</td>
<td>Date:</td>
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<tr>
<td>Status</td>
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</table>
Annex 11  Useful reference documents