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The Charity Tax Group September Newsletter
2024



Shifting Sands

Our technical team have been marching up the coast near the England/Scotland border and that perhaps inspires the title of this month's newsletter, along of course with some changes of varying significance in the world of charity tax.

Last month we spoke about the release of statistics on the value of some tax reliefs to charities – as a reminder £2.5bn of relief from business rates and £1.6bn on gift aid. Both of these hugely valuable reliefs feature below.

We have assembled a working group to look at the impact of VAT on school fees and will be responding to the consultation on this. At the same time, our thoughts are turning to the next budget. Whilst that may seem some time away (it is on 30th October), we are being asked to submit any suggestions by the 10th September. If you want to make your own submissions, there is link [here](#), or please [tell us](#) what you think the budget should include.

Finally, please could you spare a small amount of time to complete our survey for [charity](#) and [observer](#) members (see below)– we are very keen to make sure we align our activities with your needs and interests.

Richard Bray, Chair, CTG



Gift Aid Declarations

HMRC recently changed their guidance to state that a gift aid declaration must include the 'full name' (rather than just the initial) of

the donor. This caused a lot of concern to our members. It obviously gives rise to several practical difficulties for charities both for previous and future gift aid claims. Because we had been in discussion with HMRC for some time over this point and had not concluded the discussions, the publication of the revised guidance did come as a surprise. The guidance has now been withdrawn and we are meeting HMRC again to talk through this issue and to ensure that they are fully aware of the difficulties this would cause.

New VAT Certificates

HMRC have clearly been busy issuing updates as they have also updated their model certificates for those claiming VAT relief on various goods and services used in medical and veterinary research and teaching, ambulances and rescue equipment. The revised certificates can be found [here](#). They are laid out a little bit more clearly than earlier versions, but still have a number of anomalies.

Remember there is no legal obligation to issue a certificate in this format even if suppliers and indeed HMRC officers sometimes suggest there is!

Financial Reporting Council (FRC)

Although not a tax issue, we thought that those of you with accounting responsibilities might be interested in this [discussion paper](#) published by the FRC about extending the requirement to 'tag' financial statements. Pages 23-24 will be of particular interest to charities.

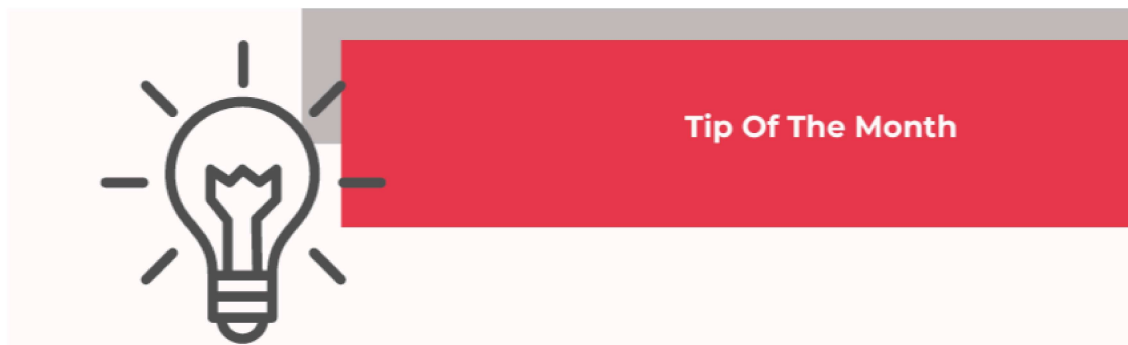
Survey

As we said above, we really do want to make sure what we do is relevant to our members – charities and those who support them with tax advice. Please could you spare less than 10 minutes to complete our survey. If you are charity, the link is [here](#). If you are an advisory firm the link is [here](#). As a small incentive, one lucky person completing the survey will win a £50 voucher in a random draw.

Well Endowed?

A recent [VAT Tribunal case](#) which considered the VAT status of fees charged by investment managers (CCLA in this case) on Charity Authorised Investment Funds found that the fees should be exempt from VAT. To get maximum benefit, charities would need to approach the fund managers asap as there is a 4 year time limit for managers to make the VAT adjustments (unless they are CCLA or had claims 'stood behind' the CCLA appeal).

We have also responded to a consultation on 'carried interest'. Why? One of the potential solutions to tax this income for venture capital or private equity fund managers other than through Capital Gains, is to treat the income as trading income. Charities do sometimes invest in funds through partnerships and if the income arising from the partnerships' disposals is recharacterized from a capital gain to trading income then it may become taxable in the hands of the charity.



Tip of the month

John Webber of [Colliers](#), who will be leading our expert insight session on Business Rates later this month, has contributed our top tip for this month. Business Rates - as we are half way through the 2023 Rating List, have you reviewed the Rateable Value (RV) attributable to your premises? The Labour government does not seem afraid to review the reliefs given as evidenced by their proposed action on private schools and should they change the relief environment on any other sector the RV will be something not to be ignored.

We are very much looking forward to our expert insight session on Business Rates on **24th September**, led by John Webber of Colliers. The session will include updates on recent developments and thoughts about the upcoming review of the business rates regime as promised by the Labour Party. John is a leading expert in this field with over 36 years' experience in the rating industry and is regularly called upon by the national media to offer his views on a range of business rates issues. He is involved in lobbying MPs/ministers and senior civil servants on business rates matters.

Future events - Dates for your diary

We have a number of events planned to the end of the year. Please pencil them in your diary and look out for the invitation coming your way. If you are unsure whether you are on the distribution list for any of the following meetings you can sign up quickly and easily [here](#):

Gift Aid Practical Issues working Group

- **Tuesday 10th September at 4pm**
- **Tuesday 1st October at 4pm**
- **Tuesday 26th November at 4pm**

VAT Practical Issues Working Group

- **Thursday 28th November at 4pm**

Expert Insight Sessions

- **Tuesday 24th September at 4pm**
- **Wednesday 20th November at 4pm** with Andrew Robinson looking at completing Charity Corporation Tax forms.

Observer Member Meetings (Observer members only)

- **Thursday 26th September at 4pm**
 - **Thursday 12th December at 4pm**
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