



## Finance

### VAT Manual

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## 1 INTRODUCTION

This document has been provided for use by staff of Glasgow Caledonian University (GCU). The manual provides guidance on the VAT treatment of supplies by and to GCU and its subsidiary companies.

If you are unable to resolve your VAT (Value Added Tax) query based on the information contained within this document you should contact the Financial Accounting Manager for further guidance.

### 1.1 VAT rates for goods and services

VAT is an indirect tax on “taxable supplies” made by a “taxable person” in the course or furtherance of business. In such instances most goods and services are subject to VAT at the default standard rate unless they are specifically excluded from that charge elsewhere in the law by way of reduced-rating, zero-rating, exemption or fall outside the scope of VAT altogether.

VAT rates in the UK:

Standard rate	20%
Reduced rate	5%
Zero rate	0%

There are differences between zero-rated and exempt supplies although both categories result in no VAT being applied to the supply. Zero-rating applies a VAT rate of 0% and this constitutes a taxable supply. As a result input VAT on related expenditure can be reclaimed. Exempt supplies are not taxable supplies and VAT incurred on any related expenditure cannot be recovered except as allowed under the partial exemption provisions. Appendix 3 & 4 details both exempt and zero rated supplies.

### 1.2 VAT Registration

The University is registered for VAT under VAT registration 596 7894 50.

Glasgow Caledonian University Company (GCUC) Ltd is registered for VAT under VAT registration 481 6718 23.

GCU Academy Ltd is not VAT registered as all of its supplies are exempt from VAT (education); it is therefore not eligible to register for VAT.

### 1.3 The University's Status

#### Eligible Body Status

The University is an “eligible body” for VAT purposes under both Note 1(b) to Group 6 (Education) and Note 2A to Group 10 (Sporting Services) of Schedule 9 of the VAT Act 1994. The definition of an eligible body is contained in Appendix 1.

As a result of its eligible body status, **supplies of education by the University are exempt from VAT**, as are supplies of “sporting services” supplied to an individual, or under special conditions, to a group or organisation.

#### Charitable Status

The University is a registered charity and there are strict rules as to what activities the University is allowed to undertake. Activities that are deemed ‘commercial’ are prohibited. The University should not carry out activities that are ‘non charitable’ in nature to ensure its ‘charitable status’ for VAT purposes is not affected. 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.

### 1.4 Place of supply rules

The rules aim to ensure that, as far as possible, VAT is due in the country in which the **service** is consumed rather than where the supplier is established. The result for UK business customers is that they are liable to account for VAT on most goods/ services provided by their overseas suppliers under the reverse charge mechanism

Where the University makes supplies to EU member countries, the supply will be outside the scope of UK VAT with full recovery of any associated VAT incurred in the UK. For supplies to customers who are based outside the EU, these will be outside the scope of both UK and EU VAT regulations.

**Further information regarding the place of supply for VAT purposes is contained in the guidance “VAT – Place of supply rules”.**

## 2 INCOME

For something to be potentially liable for VAT it has to be a supply of goods or services. 'Supply' is defined as providing goods or services in exchange for either a monetary value or payment in kind (goods/services). **The flow chart at Appendix 2 summaries the VAT rate to charge when raising sales invoices.**

### 2.1 Education

The supply of education by the University and GCU Academy Ltd is exempt from VAT by virtue of each being an eligible body. Non accredited closed courses supplied by GCUC Ltd are taxable at the standard rate of VAT.

Education is not clearly defined in law, however it is regarded as meaning a course, class or lesson of instruction or study in any subject, whether or not normally taught in schools, colleges or universities and regardless of where and when it takes place.

Education includes:

- Lectures;
- Educational seminars;
- Conferences and symposia; and
- Holiday, sporting and recreational courses.

Education also includes distance teaching and associated materials, if the student is subject to assessment by the University.

It does not include admission to events such as:

- Plays;
- Concerts;
- Sports meetings; and
- Exhibitions.

Exemption also applies to the supply of any goods or services which are 'closely related' to an exempt supply by the University and GCU Academy Ltd (section 2.9). Any separate charge for registration is also exempt from VAT for the University and GCU Academy Ltd.

### 2.2 Research

Research is regarded by HMRC as "original investigation undertaken in order to gain knowledge and understanding". It can include:

<i>Basic research</i>	<i>- experimental or theoretical work undertaken primarily to acquire new knowledge without any particular application or use in view.</i>
<i>Applied research</i>	<i>- original investigation undertaken to acquire new knowledge directed towards a practical aim/objective.</i>
<i>Experimental development</i>	<i>- drawing on existing knowledge gained from research and/or practical experience to produce new materials, processes, systems or services or improve those already in existence.</i>

It is therefore the intention at the beginning of a project that determines whether a supply qualifies as research. If the intention is to advance knowledge and understanding, the supply is one of research.

If work is carried out to simply confirm existing knowledge and understanding, then it is not research. For example, testing the quality of water samples will not be seen as a research activity. Furthermore, the following are examples of work which will not qualify as research:

- Consultancy and business efficiency advice;
- Collection and recording of statistics where no analysis or interpretation is undertaken;
- Market research and opinion polling;
- Writing computer programmes; and
- Routine testing and analysis of materials, components or processes.

### 2.2.1 Research and Other Grant Funding

University activities can be funded either by the award of a grant or the issue of a contract. When establishing the VAT treatment of a research activity it is necessary to determine:

1. the source of funding, and then
2. whether it is to be released into the public domain (non-business) or retained for use by the University or funder (business)

If there are deliverables to be returned to the funder by a certain date (other than simple progress reports) and to a specification prescribed by the funder, at which point it is up to the funder as to how they use those results, this indicates that a supply of (business) research has been made rather than the research being non-business. If the funding is freely given with no expectation of retained IP this indicates that there is non-business activity and no supply is made.

#### Grant funded

The University applies to external bodies to fund specific research proposals. Research is typically provided to and funded by Funding Councils, charities and government grants. Where the University is receiving pure grant funding for research with no specific deliverables in return and which is intended to allow the results to be released into the public domain, is considered to be a non-business activity. This income is part of the University's charitable activities so should be processed through the University. Such activities are outside the scope of VAT.

#### Contract funded

A funder may commission the University to carry out research. The research is for the benefit of the funder who *may* retain full ownership of the results. A service is therefore being provided to the funder and is considered to be a business activity.

#### Funder retains full ownership:

Where the funder retains full ownership of the research and associated IP, then it is likely that the research findings cannot be released into the public domain, this research activity is deemed commercial in nature and should be processed through GCUC Ltd and is liable to VAT at the standard rate.

#### Funder does not retain full ownership:

Where the results of particular research activity and the associated IP are not intended to be fully retained by the funder this can be processed through the University. It is liable to VAT at the standard rate unless it is provided to (funded by) a Customer outside the UK.

#### Research provided to customers outside the UK is outside the scope of VAT.

- If research is carried out under EC Framework 5 and 6 research programmes, the research provider can recover input VAT that directly relates to this research.
- If research is carried out under EC Framework 7, VAT on costs is not recoverable and therefore VAT incurred will not be reimbursed by the EC.
- If research is carried out to EU bodies, not covered by above frameworks, the supply is outside the scope of UK VAT, but with recovery of VAT on costs incurred in making the supply as a business activity (Article 151).
- Horizon 2020 research is not a business activity for VAT purposes and is not within the scope of VAT. Any VAT incurred in the course of such funded research is not recoverable. However, where the funding is, in effect, used to subsidise a business activity i.e. the research results in something which the University can exploit commercially; VAT can be recovered subject to the normal rules

### 2.2.2 Other Research Activities

#### Subcontract Research

Where the University has been contracted to supply research to a customer who itself has been commissioned to provide the research to the funding party, this is regarded as subcontract research. Such services will be provided by GCUC Ltd and will be taxable at the standard rate of VAT.

If GCU is named on the funding application as 'second tier' provider, then the VAT treatment follows the VAT treatment of the supply.

**Research Fellowships**

Fellowships are awarded to post doctoral researchers to enable them to progress their research career. These are typically awarded by Research Councils and Charities and while awarded to individuals they are administered by the University. The award may cover salary and expenses of the researcher. They are a University activity and are exempt from VAT.

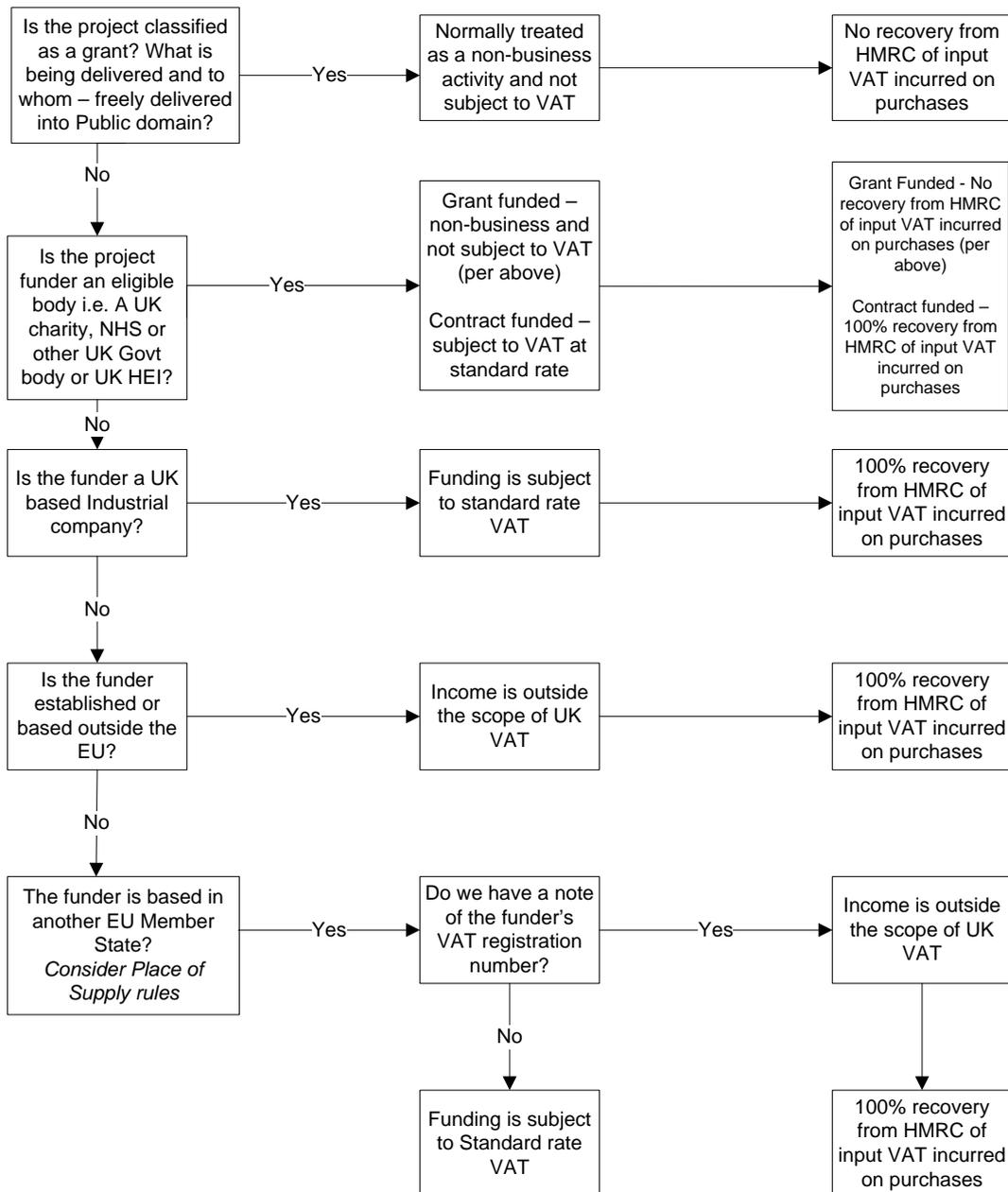
**Research Studentships**

Studentships are awarded to allow students to undertake research and training to gain a PG degree. These are typically awarded by Research Councils and Charities and may be awarded to the University rather than individual students. The award will cover stipends and fees. They are a University activity and are exempt from VAT.

**Consumables**

The passing on of the cost of consumables to a research customer should follow the same liability of the main supply of Research as these are merely cost components of the principal activity.

**Flowchart for selecting the appropriate VAT code for invoicing and subsequent impact on recovery of VAT on purchases**



### 2.3 Knowledge Transfer Partnerships (KTP's)

KTP's are a UK wide programme enabling businesses to improve their competitiveness, productivity and profitability by establishing partnerships with an academic institution. Such activities are part funded by Government Agencies and part funded by the business partner. The Government Agency funding is grant funded and that will be outside the scope of VAT and the business partner element is subject to VAT at the standard rate.

### 2.4 Consultancy

Consultancy is the use of existing knowledge to provide advice to the commissioning party. Consultancy is not part of the University's charitable objectives and must be processed through GCUC Ltd. Supplies of consultancy services are business activities and are standard-rated for VAT purposes when supplied to a UK customer. These services can include business advice, market research and routine testing services.

Consultancy supplied to EU entities is likely to be outside the scope of UK VAT. In such instances recovery of input VAT is allowed as this is a taxable supply in the customer's home country.

### 2.5 Supplies of Staff

A supply of staff is the placing of personnel under the general control and guidance of another party as if they become employees of that other party. Under these circumstances the supply is taxable at the standard rate.

Note, 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.

If there is a joint contract of employment then there will be no supply, and therefore should be treated as outside the scope of VAT.

#### Supplies to other Educational Institutions

The supply of teaching staff to another educational institution for teaching purposes is exempt from VAT. The exemption does not extend to the supplies of teaching staff for other duties (e.g. administration). The supply of GCU staff to GCU Academy Ltd for teaching purposes is exempt.

#### Supplies to other Charitable Bodies

Certain supplies of staff by the University to other charitable or non-profit making bodies may be treated as non-business income and therefore outside the scope of VAT. The conditions for this concession are:

- The employee seconded should only be engaged in the non-business activities of the University, and be seconded to assist in such activities of the borrowing organisation; **and**
- The payment for the supply of the employee's services does not exceed the total cost incurred by the University in respect of salary, NIC, pension costs, etc. This should be calculated *pro rata* for part-time secondments.

Supplies of University staff to other charitable or non-profit making bodies which do not qualify under the above rules should be treated as taxable at the standard rate.

#### Supplies to Non-Charitable Bodies

Supplies of staff by the University to non-charitable bodies, e.g. GCUC Ltd and GCU INTO Ltd, are subject to VAT at the standard rate.

### 2.6 Nursing Training

The University provides pre and post registration nursing training to the Scottish Executive. As an eligible body, the University's supplies of nursing training are VAT exempt.

## 2.7 CPD & Closed Courses

CPD courses open to the public should be delivered through the University and are exempt from VAT.

The University is providing a service where it has been asked to design a programme/course specifically for an outside organisation and that is restricted to that organisation. Such courses are 'Closed courses', and may or may not have university accreditation.

Closed courses that are University accredited are delivered by GCU Academy Ltd and are exempt from VAT by virtue of the subsidiary being an "eligible body" for education.

Closed courses that are not accredited by the University are delivered by GCUC Ltd and the fee income is taxable at the standard rate of VAT.

## 2.8 Grants, Donations & Sponsorships

The University receives income from various grant funding authorities and donations raised at fund-raising events. Grants, donations and other contributions, where the giver receives no benefits are outside the scope of VAT.

When the University receives income from sponsorship it will normally be making a taxable supply if it is obliged to provide the sponsor with a significant benefit. VAT must be accounted for at the standard rate on the value of income received under the sponsorship agreement. The University may exclude from this value any payment made by the sponsor that can be treated as a non-taxable donation.

## 2.9 Goods and Services Closely Related to Education

Certain services supplied by the University and GCU Academy Ltd are considered to be closely related supplies where they are supplied for the direct use of, and are necessary for delivering education to students.

### Catering

Supplies of catering to students are closely related supplies and are exempt from VAT. This relief does not apply to sales from vending machines, campus shops or student bars. Supplies to staff follow normal VAT rules and are generally standard rated.

### Residential Accommodation – Caledonian Court

The supply of accommodation to students is a closely related supply of education and is therefore exempt from VAT when supplied by the University.

Outwith term time, supplies of accommodation made to students of the University is similarly exempt.

Lets to other eligible bodies running eligible education events are also exempt from VAT.

The student residence is also used for "Vacation Lets" during non-term time. The supply of vacation lets is liable to VAT at the standard rate

### Supplies to an Eligible Body

If the University is under contract to provide closely related goods or services (including conference facilities) to another eligible body, rather than direct to its students, VAT can only be exempted if the recipient body supplies the education for a fee. Where, in addition to the use of a room, a meal is provided and an inclusive charge is made (e.g. delegate rate), each element is treated as a separate supply unless the refreshments are minimal.

## 2.10 Non-Residential Accommodation

The grant of an interest in non residential property of the University can be processed through the University and is generally exempt from VAT. It is possible to elect to waive this exemption or "opt to tax", making the income liable to VAT at the standard rate. The University has currently made an option to tax the William Harley building. The grant of any lease or room hire in the William Harley Building and connecting CEE Building is therefore liable to VAT at the standard rate.

The grant of leases or room hire in other University buildings is VAT exempt.

### 2.11 Sports Centre Income

The University receives income from services supplied by the Arc to students, staff and the wider community. The VAT treatment of the supplies depends on to whom the supply is made: an individual, or group or organisation.

#### Supplies to Individuals

The supply of sporting services to individuals by the University as a non-profit making body is exempt from VAT.

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.

#### Supplies 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 mentioned 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.

#### Group Classes

A class which is led and directed rather than merely supervised by Arc 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.

#### Miscellaneous Income

VAT should be accounted for on supplies of fruit juices, fizzy drinks and bottled water at the standard-rate.

### 2.12 Optometry Clinic

The supply of spectacles and contact lenses by the University’s Eye Clinic is liable to VAT at the standard rate. The provision of eye tests by the Clinic is exempt from VAT.

### 2.13 Car Parking

The supply by the University of a designated area provided specifically for purpose of parking vehicles is liable to VAT at the standard-rate. However, if it is provided to a student the supply is exempt.

### 2.14 Merchandising

The University makes supplies of general merchandising materials such as mugs, stickers, t-shirts etc. VAT should be accounted for on the external supplies at the standard rate depending on the goods being supplied.

### 2.15 Royalties

Income to the University from royalties is liable to VAT at the standard rate unless the customer belongs outside the UK, with any input VAT being fully recoverable.

Royalties from customers outside the UK are outside the scope of VAT, with any input VAT incurred in the UK relating to the overseas royalties being recoverable.

### 2.16 Graduation Services

Graduation services supplied by the University to its students are exempt from VAT. These services typically include a presentation ceremony and the provision of a degree certificate.

Commission received from a photographer or gown-hirer must be accounted for at the standard rate of VAT.

### 2.17 Examination Services

Examination services supplied by the University and GCU Academy Ltd are exempt from VAT. This exemption covers:

- The setting, supervision and marking of exams;

- The setting of educational training standards;
- The making of assessments; and
- Other services to ensure educational and training standards are maintained.

### 2.18 Library Income

The supply of lending books by the University is zero-rated. This zero-rating also applies to charges made by the library for the use of their books on their own premises. The sale of books is zero-rated.

The lending of other resources, such as CD-ROMs and laptops, is a standard rated supply.

Library membership fees are taxable as they allow for the general supply of learning centre facilities.

Fines for lost or the late return of materials are outside the scope of VAT.

### 2.19 Photocopying Services

The photocopying of a complete zero-rated item (e.g. a book or a brochure) is also zero-rated provided that it retains the character of the photocopied item.

The supply of “instant” photocopies and the copying of general extracts from books etc are standard-rated. However, the supply is exempt if supplied to the University’s students for an educational purpose.

## 3 EXPENDITURE

### 3.1 Imported Goods and Services

The University and its subsidiaries may purchase goods and/or services from overseas. The rules differ relating to EU and non-EU supplies and vary depending on whether the supply is of goods or services.

#### Acquisition VAT

Acquisition VAT is applied to the supply of certain **goods** in the EU.

When the University **receives** goods from a supplier in another EU member state, it must account for VAT due at the rate of VAT that the supply would attract if supplied in the UK.

Any goods purchased by the University under these arrangements which are zero-rated when supplied in the UK (e.g. books) will have no acquisition VAT.

#### Reverse Charge VAT

The reverse charge works in a similar way to the EU Acquisition VAT, but applies to the supply of **services**.

If the University receive a supply under the reverse charge procedure, VAT must be accounted for at the rate of VAT that the supply would attract if being supplied in the UK.

### 3.2 Capital Goods Scheme

The Capital Goods Scheme applies to purchases of individual computer equipment in excess of £50,000, and construction and refurbishment related work in excess of £250,000, exclusive of VAT.

This scheme is used to adjust the input VAT claimed in respect of capital items if their use changes in the relevant period. The relevant period for computer equipment is the first 5 years, and for construction related work it is the first 10 years.

### 3.3 Available Reliefs

In some cases it may not be necessary for VAT at the Standard rate to be incurred by the University as it may qualify for reduced-rated or zero-rated supplies due to its charitable status or non-business activities.

GCUC Ltd and GCU Academy Ltd do not benefit from these reliefs as they are not a registered charity.

To obtain VAT relief the University must provide the supplier with the relevant eligibility declaration form stating their entitlement to the relief. The required forms can be found in the VAT section of the Finance Forms pages of the GCYou portal.

The University may receive VAT relief for the following:

### 3.3.1 Advertising

The supply of advertising to the University is zero-rated. The advertising can be supplied in any form provided that the supply is of a right to advertise granted by a third party. The relief applies to all types of advertisement on any subject (including recruitment), including:

- The supply of advertising airtime on TV/radio stations;
- Adverts in the press/publications;
- Adverts on 3<sup>rd</sup> party websites;
- Design or production services of an advertisement; and
- “Pay per click” internet advertising.

The most important factor to consider is whether the advert is placed on someone else’s space or time. If it is not, there will be no scope for this relief to apply. For example the cost of advertising on our own space or property does not qualify for zero-rating.

When receiving supplies of zero-rated advertising, the University must provide that third party with an eligibility declaration which confirms entitlement to VAT relief.

Any supplies of advertising made by the University to other charities should be zero-rated under the above conditions, provided that the University receive an eligibility declaration form from the charity.

### 3.3.2 Medical Equipment for Research

Medical or veterinary research means original research into human or animal disease and injury.

The supply of a “medicinal product”, where the supply is solely for use by the University in medical research, is zero-rated.

The zero-rating of such items may depend on the use rather than the nature of the item. The University must give the supplier a certified declaration that the goods are to be used for the specified purpose.

This VAT relief also applies when goods are imported from outside the EU. No import VAT will be charged on the qualifying goods provided that the University lodge the relevant declaration of eligibility with Customs upon importation.

### 3.3.3 Goods Imported for Medical Testing

The following goods are automatically zero-rated upon importation and no certificate is required to substantiate the relief. The University must ensure that the goods are cleared through Customs under the correct import entry procedure:

- Approved biological or chemical substances sent from outside the EU;
- Human blood;
- Products for the therapeutic purposes derived from human blood (whole human blood, dried human plasma, human albumin and fixed solutions of human plasmic protein, human immunoglobulin and human fibrinogen);
- Human organs or tissue for diagnostic or therapeutic purposes or medical research; and
- Blood-grouping re-agents’ and “tissue-typing re-agents” for use exclusively in non-commercial medical or scientific purposes.

### 3.3.4 Disabled Adaptations

Certain building works to the University are zero-rated when it includes special features that can be used by disabled people.

- **Ramps, doorways and passages**

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. This relief will generally not apply during the construction of a new building.

- **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.

For the purpose of this relief:

- Washroom means a room containing a lavatory or washbasin (or both) but not containing a bath or shower or cooking, sleeping or laundry facilities; and
- Lavatory is a room containing a toilet and possibly, but not always, a washbasin.

- **Residential Bathrooms, Washrooms and Lavatories**

The supply of providing, extending or adapting a bathroom, washroom or lavatory to the University is zero-rated, provided the building is used for residential accommodation (i.e.: Caledonian Court).

Note: the definition of bathroom includes a shower room.

- **Residential 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 provided that it is made available for disabled persons in a building which provides temporary or permanent residence (i.e. Caledonian Court).

- **Installation of Vertical Lifts**

The installation or repair and maintenance of an ordinary vertical lift can be zero-rated provided that it is installed in a 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. A concession also exists for installation of vertical lifts in non-residential buildings.

- **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.

- **Repair and Maintenance**

The supply of services of repair and maintenance of qualifying goods as described above is also zero-rated.

### 3.3.5 Fuel and Power

The supply of gas or electricity for use in the University's main campus is subject to VAT at the standard rate. However, the University may be able to obtain the reduced rate of VAT (currently 5%) if it can certify qualifying use on buildings that have an element of non-business activity (e.g. non-commercial research)

The University's residential accommodation for students is certified as being a qualifying use and is therefore eligible for the reduced rate of VAT at 5%.

### 3.3.6 Property

#### **New Capital Buildings**

Any services of constructing a new self-contained building which the University will use for a "relevant residential" or a "relevant charitable" purpose will qualify for zero-rated VAT. The construction of a new research building would qualify as a relevant charitable purpose, and a new student residence building would qualify as a relevant residential purpose.

#### **Freehold Purchase or Purchase of a Lease**

The freehold purchase or purchase of a lease exceeding 20 years, of a building from the person who constructed it, is zero-rated for VAT provided that the University uses it for a relevant residential or relevant charitable purpose.

The University is required to issue a certificate to support of the zero-rating of VAT on property.

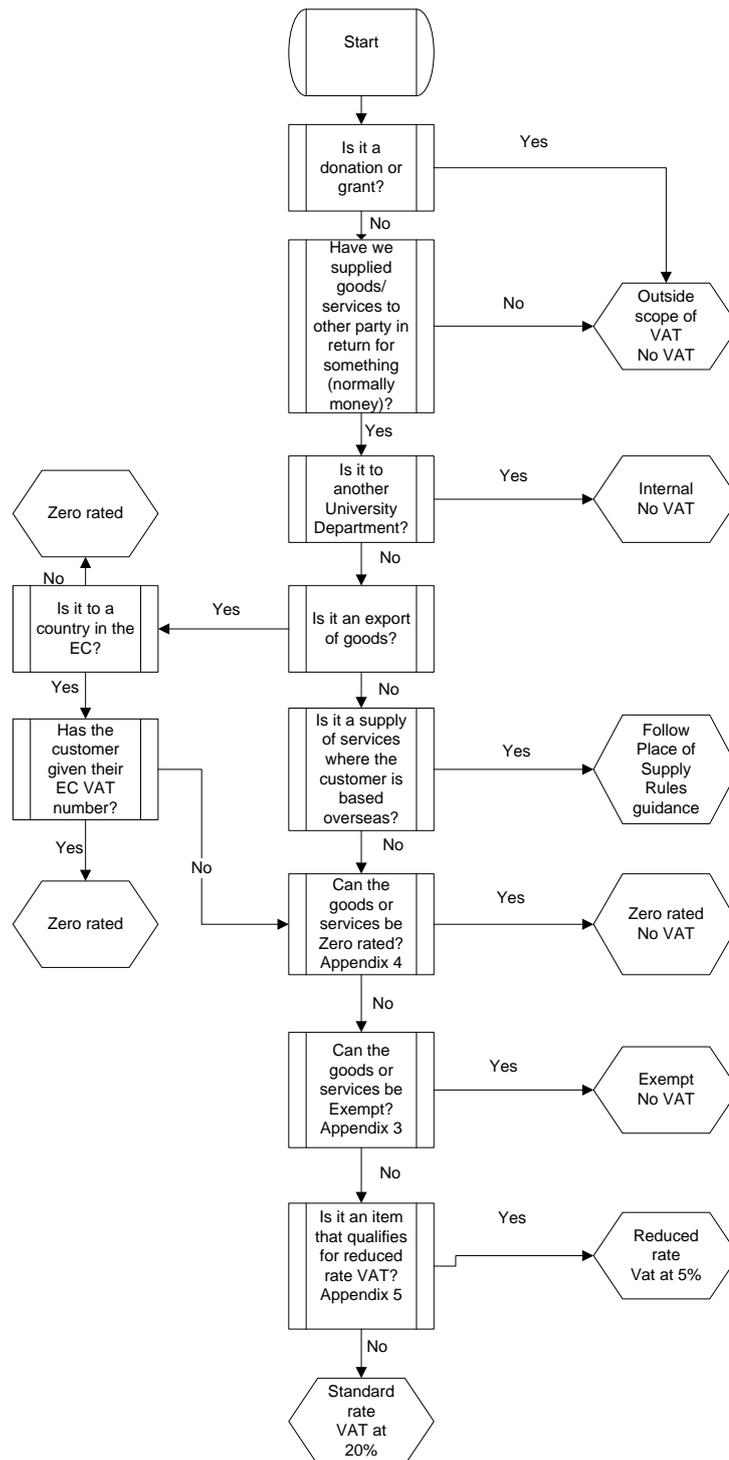
## **Appendix 1**

### **Eligible Bodies**

For the purposes of educational exemption, an “eligible body” is a:

- 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; or
- Commercial provider of tuition in English as a foreign language.

**Appendix 2**  
**What rate of VAT**  
**to charge - Income**



## Appendix 3 Exempt supplies

- **Education**
  - Tuition fees and directly-related education supplies such as:
    - course materials;
    - catering to students;
    - student accommodation; and
    - field trips.
  - Academic Conferences:
    - content and admin must be supplied by the University.
    - includes accommodation & catering.
    - excludes alcohol and laundry.
    - excludes optional meals (for example the night before or a gala dinner).
- **Research**
  - Where this is supplied to another "eligible body" (see below)
    - "Research" is an *original investigation* undertaken to *gain knowledge and understanding*.
    - "Research" *does not* include routine testing, analysis of materials, writing computer programs or market research.
    - "Eligible body" includes schools, colleges, universities, government departments, local authorities, NHS Trusts, EFL schools and **some** non-profit making bodies/registered charities primarily involved with education and research (please check with Finance).
- **Land**
  - Normally includes room hire (where there is no catering).
  - Room hire in the CPD, William Harley and GCU London buildings are standard rated because these building has been 'opted to tax'.
- **Entrance fees to fund-raising events**
  - Must be for the University and not on behalf of other charities.
  - Must be fewer than 15 events in a rolling twelve month period.
  - If more than 15 events are held then all events become standard rated.
- **Sport and Sport competitions**

## Appendix 4

### Zero-rated supplies

- **Books (excluding stationery)**
- **Advertising services provided to a registered charity**
- **Food (note - this is only "non-prepared" food so does not include catering)**
- **Charity funded eligible goods used in medical research**
  - The customer *must* provide a VAT exemption certificate
  - The supply *must* be on the list of eligible goods
- **Export of goods to outwith the UK and EC**
- **Sale of donated goods**

## **Appendix 5**

### **Reduced rate supplies**

It is very unlikely that the University will make reduced rate supplies. For information, the types of supplies that are reduced rate are:

- Domestic Fuel;
- Installation of energy saving materials;
- Grant funded installation of heating equipment or security goods or connection of gas supply;
- Women's sanitary products;
- Children's car seats;
- Residential conversions; and
- Residential renovations.