

## Suggested Lesson Plan 1

### MATERIALS

'HMRC Junior Tax Facts' resources are available at:

<https://www.gov.uk/government/publications/tax-facts-for-children-and-young-people/tax-facts-resources-for-teachers-and-parents>

Introductory HMRC video on Youtube:

<https://www.youtube.com/watch?v=fbZlWBDplik&list=PL8EcnheDt1zjoRLUOI8WEKggNzdR3w2xl&index=6>

### LESSON PLAN

#### Session 1 (1 hour)

- Intro [5 mins] – explain your role at an appropriate level.
- Play HMRC video [5 mins] .
- Intro to the course – [10 mins] Reinforce importance of taxes, and note that total taxes collected were £858bn (for 2024/25 – you can ask children to guess the amount and/or print out on paper).
- Exercise 1 – What's the point of tax? [20 mins]: Activity 1 in HMRC Junior Tax Facts Pack.
- Exercise 2 – Tax priorities [20 mins]: Activity 3 in HMRC Junior Tax Facts Pack.

#### Break (15 mins)

#### Session 2 (1 hour)

- What taxes do children pay? Highlight that VAT means they are all taxpayers, even if they don't think they are!
- VAT – Snowballs and Jaffa cakes – whole class exercise – see below for information.
- Q&A (tax in general, what you do) – brace yourself!

### TO BRING

- Sufficient copies of required resources from Junior Tax Facts.
- Jaffa cakes / Snowballs (bring all food in original wrapping).
- Plates/napkins.

### TO CHECK

- Allergies/health issues around bringing food in.
- School policies on safeguarding.

## Cake, Biscuit or Sweet?

### Work Session – Tunnocks Snowballs

In 2014 a Judge was asked to decide whether or not a treat called a Snowball was an item of confectionery (i.e. a sweet) or a cake.

If it was an item of confectionery (such as sweets and chocolate) then it would be subject to VAT at 20%.

If it was a cake, then it would not be any VAT (weirdly because you charge VAT at 0%).

The people that make snowballs (two companies – Tunnocks and Lees) want the snowball to be classed as a cake because then it would be less expensive, and people could afford to buy more of them.

If each snowball is sold for 20p before any VAT added then if VAT applied this adding an extra 20% onto the price (can let the class calculate if you're feeling brave) would mean each snowball cost an extra 4p!

4p on a single snowball is not a lot but because there are a lot of snowballs made each year the total amount of VAT in question was worth an £800,000 VAT due if held to be sweets – so very big figure because Tunnocks and Lees make a lot of snowballs.

### What did the judge look at to decide if cake or sweet?

The judge looked at the following factors

Factor (prompts to use to start the discussion with class)	Cake or sweet?	Held in the court
How does it taste?	Cakes and biscuits are both sweet but cakes are very sweet as generally more sugar	Yes - tastes very sweet
What sort of texture does it have?	Sweets – more solid, cakes are less solid	Held to be very fragile – more cake like
Do I need to eat it off a plate?	Cakes need plates, you can eat sweets with your fingers	Yes – very messy to eat, the judge found coconut falling off everywhere  Judge got messy fingers – like eating a vanilla slice
How big are they?	Bigger than a traditional boiled sweet, but smaller than a slice of a whole cake	Considered similar size to other cakes like a cupcake, or French fancy  Couldn't eat in a single bite (NB This is not a challenge for the kids to disprove!!)

<b>Where would you look for it in the supermarket – with the sweets/chocolates or with the cakes?</b>	Didn't think would sit with the chocolates or sweets	Largely with the cakes/biscuit aisle
<b>What are they made of?</b>	Sweets are tend to be more sugar based while a cake would be expected to have flour, eggs and sugar	Snowballs do not have an flour in them
<b>How are they made?</b>	Cakes tend to be baked and sweets are boiled	In this case, the snowball is boiled (not baked) so this is a bit sweet like
<b>When would you eat one?</b>		The Judge thought she'd like it sitting down with a cup of tea – like a cake. Not really suitable for eating while walking around in the street.
<b>Do they keep well?</b>	Sweets can be left out and keep well – cakes go dry and hard if left out	The snowball goes dry like a cake after a few hours
<b>If you put it with other cakes would it look like a cake?</b>	Compared to a tart, tea cakes etc	Yes, it looked like a cake on a plate of cakes
<b>What does the packaging look like?</b>		Packaged in a cake tray or separately wrapped

Are there other things we would think about that the judge didn't consider?

After a discussion – hold a vote and see what the class thinks.

Note that, on balance, the judge though that there were sufficient factors to be held a cake

**Repeat the same exercise with a Jaffa Cake.**

**Options** – could summarise the factors on the board

## References

Printed PDF of case here <https://www.bailii.org/uk/cases/UKFTT/TC/2014/TC03754.pdf>

For more on VAT on food see [VAT Notice 701/14](#) or the ATT video on the wonderful world of VAT: <https://youtu.be/0JGLJCxAeXs>