[redacted]

Answer for question 1

1) supply place

a) Sale of the copyright to their new play ‘Go Gently’ to a film company based in the US place of supply is where customer belongs, US supply place

b) License of their script ‘Cheesefreak’ to a theatre company based in France; where customer belongs France

c) A live performance in Exeter of a reading from their latest book of poetry ‘Wild Swimmers’.Nat sold entry tickets to the performance, via her website, to UK individuals and businesses; admision and culture events, place of syupply is where event take place Exter UK for both business and private client B2C and B2C

d) Another live performance of ‘Wild Swimmers’ - this time in Berlin (Germany). Tickets to this performance were sold by a German ticket and events company as disclosed agent; admision and culture events, place of supply is where event take place Berlin Germany not UK for both business and private client B2C and B2C

e) Online writing courses to individuals living in the UK, The Netherlands and Switzerland, who wish to improve their skills in poetry and playwriting. The tutoring and coaching is all done via pre-recorded videos and downloadable PDFs; and BTC subject to Electronicly Supplied Services ESS

- UK customers, Place of supply: UK and vat in UK rate
- Netherlands customers, Place of supply: Netherlands whrere the customers is located
- Switzerland customers, Place of supply: Switzerland → whrere the customer is located Switzerland
- Sale of 100 copies of their new poetry book to a bookshop in Amsterdam (The Netherlands). Nat arranged the transport of the goods from Exeter to Amsterdam. Export goods place of supply is UK, zero rated sale.

2) Purchases

- a) Legal services from a US lawyer (USD 2,000). Services from overseas US to a UK business (B2B), the place of supply is where the customer belongs, Nat is in the UK so place of supply is UK. As it is Businesses to businesses services so for UK VAT is reverse charge calculated, vat must be add on Box 1 (output tax) and Box 4 (input tax), the some amount so is neutral for Nat if fully recoverable 400 USD converted in GBP should be in box 1 and 4 and net amount in box 7 and 6, 2000 USD concerted into GBP
- b) Theatre hire in Berlin (EUR 750). Hiring event service is outside the UK is supplied where the service is physically performed in Berlin. Place of supply is Germany as Berlin is capital city of this country.

Answer Question 2

QE 31/03/2025

bad debt is at least 6 months old since later of date of supply or date for payment. Claim mast be made with 4 years and 6 months from later of date of supply or date for payment 30/09/2024 and since 30/09/2020

Customer	Invoice date	Net chargeable vat at 0%	Net chargeable vat at 20%	Vat	Amount outstanding	Paid	Still outstanding	Bad debt	Bad debt vat

[redacted]

Jellycod Ltd	10/09/25	10000			10000	-	10000	10000	
Jellycod Ltd	14/09/25		12000	2400	14400		14000	14000	2400
Jellycod Ltd	02/10/25	5000	12000	2400	19400		19400	Not yet	
Gingeree Ltd	15/07/25		50000	10000	60000	22000	38000	38000	38000*1/6=6333
Gingeree Ltd	02/08/25		10000	2000	12000		12000	12000	2000
Sherat Ltd	02/07/20		10000	2000	12000		12000More than 4 and half year not bad debt		
Sherat Ltd	14/07/25		35000	7000	42000	35000	7000	7000	=7000/6 =1667
Sherat Ltd	03/08/25	14000	35000	7000	56000				
Lightery	03/05/25		4500	900	5400	4000	1400		-233
	Bad debt claimed 900								
Total bad debt						61000	113800	81000	12400
Bad debt repaaid									233

Lighery bad debt claimed of 900 repaymet vat 900-(1400/6)= 233 bad debt to add as output tax box 1

3) bad debt reliefe amount of 12000 should be added in box 4 vat return input tax
bad debt received of 233 should be added to box 1 output tax

Answer for quastion 3

1) the vat liability of the following
   a) Project 1: Existing East London Building
   Fuchsia Wing has a Real Estate Election (REE) that every property thay have treated as opted. And they charge VAT on taxable disposals or lettings of commercial property, unless it’s exempt (residential).

[redacted]

a) Now :

1. Second and third floors: leased to insurance company it is commercial rent (office use headquarters and it is Taxable supply for vat, because Fuchsia has opted to tax and VAT must be charged as insurance has exempt supply it wilif some taxable supply will be part of partial exemption for insurance company.
2. Top floor penthouse: rented to individual (residential) it is Residential rent and vat Exempt, as residential lettings are always exempt, Option to tax for dweling is not affect by the option to tax .
3. Ground floor shops leased to commercial shops and it is Commercial rent (shops), taxable supply as option to tax applies the same like to insurance company.

b) Proposed sale of the freehold in Project 1
The sale includes: Ground floor commercial and will become residential apartments after sale. Top floor penthouse residential. Second and third floors will be residential.

1. Commercial offices & shops as Fuchsia has opted to tax, that will be taxable supply of land, and VAT charged.
2. Residential top floor penthouse will be future apartments. Sale of residential property is exempt, option to tax display .

d) Project 2: Mayfair Apartments
Fuchsia is constructing new residential apartments for non-UK residents, intending to grant 25-year leases. Builders are installing additional items: fire alarms, carpets, coffee machines. Construction of new residential buildings is zero-rated for VAT if sold as dwellings and qualifying long leases more than 21 years to individuals. New build residential is zero-rated supply of construction services. Zero-rated includes construction of the building and fire alarms, sprinklers, luxury carpets if integral, if coffee machines is part of the dwelling can be zero as well. Builder vat should be Should be zero-rated, as supplies for new residential dwellings.

Project 3: Mansion house residential care home

Fuchsia acquired a residential property, converting it to a residential care home, then leasing it to a care provider. Construction services by builder. Conversion of existing residential property into a care home will be standard-rated of vat as zero-rated for new builds. Builder invoices 20% standard-rated.

2) Recovery of VAT relating to Project 3

Fuchsia can recover VAT incurred on builder invoices, because the lease to the care provider is a taxable supply. If Fuchsia had not opted to tax, leasing a care home could be exempt, in which case VAT recovery would be restricted.

[redacted]

Answer question 5

1) vat to each proposed sale
   a) the Shops. Sale to existing tenants, who continue business from shop. It is sale of land but not a business so Transfer of going Concern is not qualifying as tenants will continue running businesses from the shops. So it will by standard-rated vat 20%.. sell to another business who will initially rent to tenants, will be Sale of land to a new business, as Buyer may continue same activity temporarily, but plan is redevelopment. For purchases must continue same type of business. Vat standard-rated.

   b) Hotel sell to hotel chain, closed for 9 months for refurbishment. Closure for refurbishment will affect whether it counts as “going concern”. But if TOGC no vat if not TOGC vat chargeable standard-rated

2) Option B – property agent sells hotel immediately to undisclosed buyer. As company Company sells to agent and agent will sells to buyer who continues hotel business it is not direct transher and transfer to agent will be chargeablesale as he is not coninued Lucy businesses.

   c) Sale of shares in the company exempt supply for VAT.

3) **t**ax points for :
   Basic tax point: when goods/services supplied and Actual tax point: earlier of: Invoice date Payment received or deposit paid.

   a) shop invoice and payment the same day so it is basic and actual tax poin. Basic tax point: when goods/services supplied and Actual tax point: earlier of: Invoice date Payment received

   b) hotel Company takes 50% deposit actual tax poin for deposit , then remaining balance on checkout, issues VAT invoice for full amount actual tax poin for balancing payment VAT invoice issued for full amount but deposit was firs .

Answer for question 6

01/01/25	Fee from uk customer	Fee from overses customers	Salary	Bank	Cumulative 12 month
31/01/25	4000				4000
28/02/25	4000				8000
01/03/25	4000	2000			14000
30/04/25	5000				19000
31/05/25	5000	3000			27000
30/06/25	6000				33000
31/07/25	5000				38000
31/08/25	5000	4000			47000
30/09/25	7000				54000

[redacted]

31/10/25	6000				60000
30/11/25	7000				67000
31/12/25	7000	3000			77000
31/01/26	7000				80000
28/02/26	7000	3000			86000
31/03/26	8000	5000			**92000**
30/04/26	9000	3000			
			Out of scope	Out of scope	

For vat registration we use taxable supplies whicj are standard rate reduce and zero rate. Grant is out of scoppe supplies. Gift is out of scope for vat registration. Royalitys not taxable supplies. Export good is zero rated suplly we have to add for vt calculation/ treshold for vat-registered excided 90,000 in 31 march 2026. and Linus has 30 day to nityfy hmrc about vat registration what is 30 April 2027 and charge vat client since 1of May 2026.

4) Hi can reclaim vat on good which ha has on vat registration and bougt 4 years aho so laptop he can claim vat. Services related to businesseshe can use which were 6 month before vat registration november 2025 legal fee jan 2025 to old to reclaiming vat French loyer not vat charged him

Answer question 4 no too much time

VAT claimed on costs

VAT paid on costs

- Adult clothing: 18000
- Children clothing: 0
- Audit fee: 2000
- Confectionery & fizzy drinks: 3200
- Electricity: 3600
- Advertising: 1000
- Rent: £,800

Total VAT claimed = 18,000+2,000+3,200+3,600+1,000+4,800 = **32,600**

Non-business activity: giving clothes away for free.

Income from clothes: only voluntary contributions (17,262) and local authority grant (150,000) , grants are non-business income, and voluntary contributions for free clothing are also no business income.

Non-business income=150,000+17,262=167,262,262 = 167,262

[redacted]

- VAT overcilmed to repay =32,600×167,262/247,762 =22,008

  total overclaimed 22,008
- the voluntary contributions are non-business income.
- VAT on cafe sales

  VAT rules for food/drinks: Hot food for consumption on premises catering standard-rated

  cold takeaway food, zero-rated (except confectionery). Fizzy drinks & confectionery , standard-rated
- Peanutz is currently charging VAT on all cafe items, but:
- Hot food: correct
- Cold sandwiches: zero-rated if takeaway
- Confectionery/fizzy drinks: correct

If Peanutz were a charity, it could claim VAT on costs used wholly for non-business charitable supplies, such as adult clothing given away.