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Dear Client

## **VAT REDUCTION & EAT OUT TO HELP OUT SCHEME**

Please find below the follow up Government information on the VAT reduction and the Eat Out to Help Out Scheme.

As always, if you have any questions or concerns please feel free to contact your usual contact / client manager at Crane & Johnston as we are here to help you through these uncertain and challenging times.

### **VAT REDUCED RATE OF 5%**

The government made an announcement on 8 July 2020 allowing VAT registered businesses to apply a temporary 5% reduced rate of VAT to certain supplies relating to:

- hospitality
- hotel and holiday accommodation
- admissions to certain attractions

The temporary reduced rate will apply to supplies that are made between 15 July 2020 and 12 January 2021.

#### Hospitality

If you supply food and non-alcoholic beverages for consumption on your premises, for example, a restaurant, café or pub, you're currently required to charge VAT at the standard rate of 20%. However, when you make these supplies between 15 July 2020 and 12 January 2021 you will only need to charge 5%.

You will also be able to charge the reduced rate of VAT on your supplies of hot takeaway food and hot takeaway non-alcoholic drinks.

More information about how these changes apply to your business can be found [here](#).

#### Hotel and holiday accommodation

You will also benefit from the temporary reduced rate if you:

- supply sleeping accommodation in a hotel or similar establishment
- make certain supplies of holiday accommodation
- charge fees for caravan pitches and associated facilities
- charge fees for tent pitches or camping facilities

More information about how these changes apply to your business can be found [here](#)

### VAT on admission charges to attractions

If you charge a fee for admission to certain attractions where the supplies are currently standard rated, you will only need to charge the reduced rate of VAT between 15 July 2020 and 12 January 2021.

However, if the fee you charge for admission is currently exempt that will take precedence and your supplies will not qualify for the reduced rate.

This applies to:

- shows
- theatres
- circuses
- fairs
- amusement parks
- concerts
- museums
- zoos
- cinemas
- exhibitions
- similar cultural events and facilities

Examples of where the reduced rate may apply could be attractions such as:

- a planetarium
- botanical gardens
- studio tours
- factory tours

More information about how these changes apply can be found [here](#)

### **EAT OUT TO HELP OUT SCHEME**

Registrations for the Eat Out to Help Out scheme started on 13 July 2020.

Restaurants and other establishments serving food for on-premises consumption can now sign up to a new government initiative aimed at protecting jobs in the hospitality industry and encouraging people to safely return to dining out.

The Eat Out to Help Out registration service went live recently on GOV.UK, allowing businesses to join the scheme announced last week by Rishi Sunak MP, Chancellor of the Exchequer.

Restaurants, bars, cafes and other establishments who use the scheme will offer a 50% reduction, up to a maximum of £10 per person, to all diners who eat and/or drink-in throughout August.

Customers do not need a voucher as participating establishments will just remove the discount from their bill. Businesses simply reclaim the discounted amount through an online service, supported by HM Revenue and Customs (HMRC). Claims can be made on a weekly basis and will be paid into bank accounts within five working days.

The scheme is open to eligible establishments across the UK and can be used all day, every Monday to Wednesday, between 3 and 31 August 2020.

For details on how the scheme works see [here](#).

The Government has provided marketing resources for the Eat Out to Help Out scheme. There are posters, images and other promotional materials for use by establishments who are taking part in the scheme - see [here](#).

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Crane & Johnston', with a long horizontal flourish extending to the right.

Crane & Johnston