

## LETTINGS AND VAT

### SPORTS FACILITIES

VAT is usually payable (at standard rate) on all lettings of facilities designed or adapted for playing sport or taking part in physical recreation eg swimming pools, football pitches.

However, the letting of such facilities may be exempt from VAT if:

1. The 'let' is over 24 hours. This must be a continuous period of use and the hirer must have exclusive control of them throughout the period of letting.
  
2. There is a series of lettings of 10 or more periods (whether or not exceeding 24 hours) to the same school, club, association or an organisation representing affiliated clubs. The following conditions must also be satisfied:
  - Each period is for the same activity and is carried out at the same place.
  - The interval between each period is at least one day and not more than 14 days.
  - The whole series is paid for and evidenced by a written agreement.
  - The hirer has exclusive control of the facilities throughout the period of the letting.
  
3. General purpose facilities are hired for sporting use
  
4. Sports facilities are hired out for non-sporting purposes

#### Notes:

- A different pitch, court, etc in the same premises counts as the 'same place'.
  
- When considering a series of lettings, the duration of the sessions may be varied but there is no exception for intervals greater than 14 days through the closure of the facility for *foreseen* reasons e.g. school holidays. However, if the provider needs to make a refund due to the *unforeseen* non-availability of a facility, this condition would not be affected.
  
- When considering a series of lettings, payment should be calculated for the whole series and made regardless of whether the facility is used for every session. However, the payment does not have to be made in advance, it can be made in instalments during the course of the series of lets.
  
- If a hirer doesn't pay for a particular session that they have booked as part of a series of lets, the agreement is cancelled and the full amount of VAT is payable i.e. whether they take part in a particular session or not they must pay for *all* sessions that were originally booked in advance.
  
- A document needs to be obtained from a particular club stating that it is affiliated and what they intend to do when they book the sessions.

- Even when booking a series of lettings, unless the hirer is a school, club, association or organisation, VAT must be paid ie if Joe Bloggs hires a 5-a-side court for him and his mates then VAT is payable

### Other Facilities

Income from other lettings such as classrooms, dining rooms, kitchens, etc. is always exempt from VAT as they are classed as "rights over land".

### Note:

Where an extra and separate charge is made for the hire of equipment, eg pianos, furniture, staging, lighting, electricity, VAT is due on that charge at the standard rate.

### Scenarios

Example	VAT
Hire of non-sports facility for non-sporting event eg classroom, hall	Exempt
Hire of non-sports facility for sporting event, but equipment is not provided	Exempt
Hire of sports facility for non-sporting event eg children's party, disco	Exempt
Hire of sports facility for sporting event	Standard
Hire of sports facility for sporting event that exceeds 24 hours	Exempt
Hire of sports facility for sporting event that adheres to the rules governing a 'series of lets'	Exempt