HMRC - VATWELF4040 - Interpretation

In determining whether a supply qualifies as spiritual welfare, you will need to look at the intention behind the supply. In this regard you will find useful pointers from:

the way in which the supply is advertised; and

the object and purpose of the organisation making the supply.

Each case must be judged on its own merits.

The Evangelical Movement for Wales (EVM) [2004] 18556 is an example of a case that covered issues such as supplies otherwise than for profit, supply of services directly connected with the provision of spiritual welfare and the provision of spiritual welfare as part of a course or instruction.

EVM provided what they termed ‘holiday camps’ and claimed exemption under item 9 Group 7 of Schedule 9 VATA 1994 as a supply otherwise than for profit by a charity or public body of welfare services and goods supplied in connection with those welfare services.

EMW was started in the 1940’s as a Welsh language grouping of people, adherents of the traditional evangelical faith, concerned for the spiritual welfare of Wales. It is a registered charity with objects which can be described as evangelistic in the promotion of, advice on, support and theological education and training in EMW’S Doctrinal beliefs.

They established camps to cater for children and young people between the ages of ten and twenty one. The leaflet made frequent references to stays at the camps as holidays. It also had illustrations throughout with pictures of children enjoying recreational activities. Camps take place in the summer school holidays to enable school children participate and because it is difficult for officers to give up time at other times of the year. The appellant saw the camps as primarily giving a religious experience to the participants with recreational and other activities merely contributing to that objective.

It was held that the actual experience of a camp (rather than the description of it provided in the leaflet) is correctly described on the ordinary objective meaning of words as a course of spiritual instruction designed secondarily or incidentally to include recreation or a holiday.

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