



**HM Revenue  
& Customs**

**Charities**

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hmrc.gov.uk

**Date** 2 March 2012  
**Our ref** XT32641

Dear Ms O'Mahony

**1001 fontaines pour demain**

Thank you for your letter of 6 February 2012.

I confirm that based on the information that you have provided, 1001 fontaines pour demain is a charity for tax purposes in line with Paragraph 1 of Schedule 6 Finance Act 2010. This takes effect from 13 December 2011 and comes under our reference number XT32641. Please quote this reference number on all correspondence with us.

I also confirm that for tax purposes 1001 fontaines pour demain is a charitable Company.

Ms O'Mahony is noted on our records as the charity's authorised official. This means that we will only accept repayment claims signed by her.

**What you need to do**

Keep this letter safe. It is the charity's evidence that it can claim the available tax exemptions.

Pass it on to your successor if you stop acting as the authorised official or responsible person. If you do stop, you must tell us on form ChV1. This is available from our website at [hmrc.gov.uk](http://hmrc.gov.uk)

Use form ChV1 to tell us about any other changes to the charity. This includes changes to the other officers, charity name, nominee or banking details.

**Gift Aid**

Only donations you received after 13 December 2011 are eligible for the Gift Aid scheme. You can get all the forms you need to claim Gift Aid and detailed guidance from our website.

You must make claims for the repayment of tax under the Gift Aid scheme within four years of the end of the tax year, or the company accounting period, in which you receive the Gift Aid donations. We cannot repay claims outside those time limits.

Information is available in large print, audio and Braille formats.  
Text Relay service prefix number – 18001





The enclosed helpsheet summarises the tax exemptions and reliefs available to charities.

### Further information

For more information and guidance on tax reliefs and exemptions available to charities and their donors go to **[www.hmrc.gov.uk](http://www.hmrc.gov.uk)** and select *Charities & Donors* under *Quick Links*.

### Employees

If your charity has employees and you need advice on Pay As You Earn (PAYE), Income Tax, National Insurance contributions or Statutory Sick Pay, for example, phone our Employer Helpline on **08457 143 143**.

If your charity becomes a new employer, phone our New Employer Helpline on **0845 60 70 143**.

Yours sincerely



**A J Dobson**  
Title Executive



## Charities and tax: the basics

If your organisation is a charity for tax purposes, it is entitled to claim various tax exemptions and reliefs available to charities as explained below.

This doesn't mean that your charity will never pay tax. If your charity receives **taxable (non-exempt)** income or gains or incurs **non-charitable expenditure** you must tell us and complete a tax return, Self Assessment Trust or Company Tax Return, depending on whether you're set up as a charitable trust or company.

If your charity has certain business activities the VAT rules will apply to you just as they do for any other business. You may, however, qualify for certain charity VAT reliefs and exemptions.

## Income Tax and Corporation Tax exemptions and reliefs for charities

Most of the income and gains received by charities are exempt from Income Tax, Capital Gains tax and Corporation Tax **provided they are used for charitable purposes only**. Income or gains that is not covered by an exemption are **non-exempt** and remain taxable. The main types of exemption include:

### Gift Aid

Your charity can claim back the basic rate Income Tax that it has paid on certain donations received from individuals through the Gift Aid scheme.

Find out more about Gift Aid from our website at [www.hmrc.gov.uk/charities/gift\\_aid](http://www.hmrc.gov.uk/charities/gift_aid)

### Investment income

Your charity is exempt from UK tax on most types of investment income, including income from overseas investments. However, the 10 per cent tax credit associated with UK dividends is not repayable.

### Bank and building society interest

As a charity, you can normally get your bank or building society interest without tax deducted. To do this, it should be sufficient to show your bank or building society a copy of our letter recognising your organisation as a charity for tax purposes.

Find out how to reclaim tax on savings income that has been taxed on our website at [www.hmrc.gov.uk/charities/gift\\_aid/reclaim.htm](http://www.hmrc.gov.uk/charities/gift_aid/reclaim.htm)

### Trading profits

Profits that your charity makes from trading activities (selling goods and services to customers) may be taxable depending on the nature of the trading and the purposes for which your charity is established. Find out more about tax and trading by charities on our website at [www.hmrc.gov.uk/charities/tax/trading/basics.htm](http://www.hmrc.gov.uk/charities/tax/trading/basics.htm)

## Income from land and property

Tax exemption for certain rental income you receive from renting out land or property (whether in the UK or overseas) is available. This includes profits from letting out furnished property.

### Capital Gains Tax

Gains arising to charities are usually exempt from tax providing they are used for charitable purposes only.

### Business rates relief

Your charity may also be entitled to relief from business rates – you pay no more than 20 per cent on any non-domestic property which is used for charitable purposes. For more information contact your local authority.

### Stamp Duty Land Tax

When buying a property, your charity won't normally have to pay Stamp Duty Land Tax. This also applies when buying a lease where Stamp Duty Land Tax would normally be due.

### Completing a tax return

You should also tell HMRC when you use income for any non-charitable purposes, known as **non-charitable expenditure**, as the usual tax relief or exemptions may be subject to restrictions and this may result in a tax bill. In either case you will need to complete a tax return.

To find out more about these tax reliefs, go to [www.hmrc.gov.uk/charities/tax/basics.htm](http://www.hmrc.gov.uk/charities/tax/basics.htm)

## VAT reliefs for charities

Charities are generally subject to the same VAT rules as other organisations and normally have to pay VAT just like anyone else. There is no blanket exception from VAT for charities. However, there are some VAT reliefs on certain goods and services which mean you may be able to buy them at the zero rate or reduced rate. For example, subject to certain conditions, your charity may be able to buy fuel and power for your buildings at the reduced VAT rate and may pay no VAT on advertising or on certain goods you make available to disabled people.

Go to [www.hmrc.gov.uk/charities/vat](http://www.hmrc.gov.uk/charities/vat) to find out more about:

- VAT reliefs on goods and services bought by charities
- working out if your charity needs to register for VAT
- the sorts of activities you may have to charge VAT on.

### Your rights and obligations

Your *Charter* explains what you can expect from us and what we expect from you. For more information go to [www.hmrc.gov.uk/charter](http://www.hmrc.gov.uk/charter)