

VAT implications for Private Schools

The Budget confirmed that VAT will be added to private school fees from 1 January 2025.

We can provide the following advice and guidance from our experienced VAT team.

Maximise your potential

How to:

- Register for VAT and assist with the start date of the new registration
- Deal with advance payments of fees for the January term onwards if already received after 29 July 2024
- Introduce procedures to ensure that your sports lettings become VAT exempt

Advice on:

- If you have a trading company, would it be beneficial to form a VAT group?
- How much VAT can you routinely recover on purchases and expenses after registration? This will help you determine the amount of the fee increase in response to including VAT for the first time
- How the VAT Capital Goods Scheme works, which allows you to recover some, not all of VAT incurred on large capital projects from the last 10 years
- Discuss the choices around bare letting of rooms and halls; should you “opt to tax” the school site and charge VAT on the lettings?
- If you have VAT exempt letting income explain how the partial exemption calculation works, including provision of a template
- Explain the VAT liability of other income streams beyond the core fee, such as trips, extra lessons, meals, accommodation and before/after school clubs
- Explain the rules about nursery education fees
- Explain the impact upon fees to pupils with an EHCP (Education, Health and Care Plan)

If you wish to discuss this issue further please contact me using the details here or contact another member of the James Cowper Kreston Indirect Tax team.



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