

Kathryn Gigg

CHARTERED ACCOUNTANTS | BUSINESS ADVISERS | TAX CONSULTANTS

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Advice for Farmers,
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Chapter 1: Honeypot Farm

By Ryan Fisher ACCA FMAAT of Kathryn Gigg Chartered Accountants

Continuing the Story of the fictitious Norfolk Farm : The VATman cometh...

When the Carters of Honeypot Farm phone Ryan at Kathryn Gigg Chartered Accountants, it is always interesting. This time there was a note of concern:

“Ryan, is there something going on at the VAT office? My friend at the game farm had a visit in August, then, just before Christmas, they went to see our landlord, and now we’ve had a call. What’s going on?”

“Hmm” said Ryan. “You don’t have a shoot though?”

“We haven’t run a shoot for years. We started renting the shooting rights last year as the last shooting tenants were a right pain, but we don’t shoot the rented land at all. Some years we have a day at Honeypot with our neighbours, but that is just a few wild birds with the family beating, and we even pay the farm for a bit of corn we put down. There can’t be anything wrong there, surely?”

“Well” continued Ryan, I guess the specialist shooting team have picked up your landlord from the game farm books, and they have picked up the shooting rent from his accounts – since it is purely a business payment it should be OK , but it shows HMRC using information they obtain from one taxpayer to look into another. They work in joint teams, too, so what starts up as VAT can lead on to an Income Tax enquiry. This is an area where they are quite active, but the way you are doing your shoot day sounds fine – fortunately...”

“Thanks Ryan, you’ve put my mind at ease - all we need worry about now is what the Chancellor has come up with in his first Budget...”