



HM Revenue
& Customs

Charities, Savings & International 2
HM Revenue and Customs
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Mohammad Forez
Transparent Hands
38A Whippendell Road
WATFORD
WD18 7LU



Web www.gov.uk

Date 23 April 2020
Charity ref ZD07062

Dear Mr Forez

IMPORTANT - Please keep this letter safe

Transparent Hands

Thank you for your application for recognition as a charity for tax purposes.

I confirm that based on the information you've provided, Transparent Hands is a charity for tax purposes in line with Paragraph 1 of Schedule 6 Finance Act 2010. This takes effect from 29 October 2019 and comes under our reference number ZD07062. Please quote this reference number on all correspondence with us.

I also confirm that, for tax purposes, Transparent Hands is a charitable Company.

Our records show Mohammad Forez as the charity's authorised official. We can only accept repayment claims made by any of the officials you have told us about.

You can submit repayment claims using our secure online services – Charities Online. You'll need to enrol for this on the HMRC Online Services website. As part of the enrolment process you'll need to quote the following:

HMRC Charities reference number: ZD07062
Unique Customer Account number: 0120522666
Business address postcode: WD18 7LU

For information about making claims and how to enrol for our online services, go to www.gov.uk

What you need to do

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

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



Please also note you should keep the above details for the charity private. Publishing these details increases the risk of fraudulent activity.

If you stop acting as the authorised official **you must** pass this letter on to your successor.

Changes

You should use the ChV1, 'Change of Details' form to tell us about changes to any aspect of your charity for instance new officials or a new bank account. You can find the Change of Details form (ChV1) online, go to www.gov.uk

Gift Aid

Only donations you receive after 29 October 2019 are eligible for the Gift Aid scheme. For all the forms you need to claim Gift Aid and detailed guidance, go to www.gov.uk

You must make claims for the repayment of tax under the Gift Aid scheme within 4 years of the company accounting period in which you receive the Gift Aid donations. We can't repay tax outside this time limit.

More information

For more information and guidance on tax reliefs and exemptions available to charities and their donors, please read the enclosed Charity Helpsheet. For more guidance, go to www.gov.uk

If you contact us, we can deal with you more quickly if you quote our reference number and provide a daytime phone number.

Yours sincerely

Miss C Hulse
Charity Officer

If you need extra support, go to www.gov.uk/dealing-hmrc-additional-needs For example if you have a disability, a mental health issue, or do not speak English/Welsh.



Charities and tax: the basics

Your organisation is a charity for tax purposes and it is therefore entitled to claim tax exemptions and reliefs available to charities.

This doesn't mean that your charity will never pay tax. If your charity receives taxable (non-exempt) income or gains or spends any of its income on non-charitable expenditure, you must tell us and complete a tax return. This is because the usual tax relief or exemptions will be restricted, which may result in your charity having to pay some tax on its income.

If your charity has income from business activities, the VAT rules will apply to you just as they do for any other business but you may 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 aren't covered by an exemption are taxable.

Gift Aid

Under the Gift Aid scheme, your charity can claim back the basic rate of Income Tax that has been paid by individuals on donations of money they make.

You must make claims for the repayment of tax under the Gift Aid scheme within 4 years of the accounting period or tax year in which you receive the Gift Aid donations. We can't repay tax outside this time limit.

To learn more about Gift Aid and to find the forms needed to make a claim, go to www.gov.uk and search 'charities and tax'.

Small donations scheme

You may be able to claim a top-up payment worth 25% on cash donations of £20 or less collected in the tax years up to 5 April 2019, even if you don't have a Gift Aid declaration from the donor. The limit was increased to £30 for donations collected after 6th April 2019 and includes contactless card donations.

Under this scheme charities can claim:

- up to £2,000 on £8,000 of small cash donations received in each tax year since 6 April 2016
- Claims must be made within 2 years from the end of the tax year the collections were made.

For detailed guidance on this scheme, please go to www.gov.uk and search 'claim Gift Aid online'.

Completing a tax return

HMRC doesn't ask all charities to complete a tax return every year. However, if you receive a notice to file a tax return you must file a complete and correct return within the time limits, even if there is no tax to pay. To find out more, go to www.gov.uk and search:

- 'charities and Corporation Tax' if your charity has company status
- 'self-assessment: trust and estate charities' if your charity has trust status

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 exemption from VAT for charities.



There are VAT reliefs on certain goods and services, which mean you may be able to buy them at the zero or reduced rate of VAT.

For example, subject to certain conditions, your charity may be able to

- buy fuel and power for your buildings at the reduced VAT rate
- pay no VAT on advertising
- pay no VAT on certain goods you provide to disabled people

Go to www.gov.uk and search 'VAT for charities' 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 types of activities you may have to charge VAT on

Investment income

Your charity is exempt from UK tax on most types of investment income, including income from overseas investments. You can't claim back the 10% tax credit paid on income from UK dividends.

Bank and building society interest

Charities can receive bank or building society interest without tax deducted. You will need to show your bank or building society a copy of our letter recognising your organisation as a charity for tax purposes.

To find out how to reclaim back tax paid on savings income go to www.gov.uk and search 'claim Gift Aid online'.

Trading profits

Any profits that your charity makes from selling goods and services to customers (trading activities) may be taxable depending on the type of the trading and the purposes for which your charity is established. To find out more about tax and trading by charities go to www.gov.uk and search 'charities and trading'.

Income from land and property

Exemption from tax on 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 made by charities are usually exempt from tax providing they are used for charitable purposes only.

Business rates relief

Your charity may be entitled to relief from business rates – you will pay no more than 20% on any non-domestic property which is used for charitable purposes. For more information contact your local authority. If you're in Northern Ireland, contact your local land and property services (LPS) rating office.

Stamp Duty Land Tax

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