

## Start Here: Is it catering?

Catering includes:

- supplies made within restaurants and cafés
- catering for events and functions
- delivery of cooked ready-to-eat food or meals

Catering does not include food that customers must prepare themselves before it can be consumed. This includes:

- cooking food
- reheating pre-cooked food
- arranging food on plates

Yes →

## Charge VAT at 20%



Examples include:

- catering for weddings
- delivery of ready-to-eat meals
- packed lunches for meetings

No ↓

## Is it eat-in? (on your premises)

This includes all areas with chairs and tables within or adjacent to your main premises.

It does not include public seating areas like benches and airport lounges

Yes →

## Charge VAT at 20%



No ↓

## Is it hot takeaway food?

Yes →

## Is it hot when provided to the customer?

No

## Is it standard-rated by default?

Some items always attract VAT such as:

- 1) Ice cream
- 2) Confectionery
- 3) Alcoholic beverages
- 4) Other beverages like juices, bottled water and sports/energy drinks
- 5) Potato crisps, savoury popcorn, roasted or salted nuts and some other savoury snack products
- 6) Products for home brewing and wine making

Unless listed as an exception below.

Yes →

## Charge VAT at 20%



No ↓

## Is it zero-rated by default?

Exceptions to the list above include:

- 1) Baked Alaska, cream gateaux, mousse
- 2) Cakes, chocolate spreads, non-chocolate biscuits, toffee apples, candied peels, traditional Indian, Pakistani and Japanese delicacies
- 3) Alcoholic dessert jellies, rum babas, fruit preserved in alcohol
- 4) Ice coffee, ice tea, mate, milkshakes, bovril
- 5) Vegetable based snacks and crisps, roasted pulses like chick peas, twiglets, all unshelled nuts

And lots more...

Yes

## Zero-rated for VAT



No

It's likely to be zero-rated as food and drink for human consumption

## VAT on Food and Drink for Cafes, Restaurants and Caterers

Catering is subject to VAT at 20%. Even if an underlying food or product is zero-rated, when provided in the course of catering it will still be subject to VAT. We created this handy flowchart to help you understand when to charge VAT.

## Does it meet any of these five tests?

Test 1: food heated for the purposes of enabling it to be consumed hot

Test 2: food that's been heated to order

Test 3: food has been kept hot after being heated

Test 4: food provided to a customer in heat retentive packaging

Test 5: food advertised in a way that indicates that it's supplied hot

## Charge VAT at 20%



Examples of food heated to be consumed hot

- fish and chips, chinese takeaways
- baked potatoes, burgers and hot dogs
- hot drinks



Examples of food heated to order:

- toasted bread and paninis
- pizzas, burgers and kebabs
- tea, coffee and other hot drinks



Examples of food kept hot:

- croissants kept hot in a heated cabinet
- cooked chickens kept in a heated cabinet
- meat pies kept in heated cabinets



Examples of heat retentive packaging:

- foil lined bags
- foil lined containers



Examples of 'hot' advertising:

- rotisserie chickens
- roasted chestnuts
- hot soup

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## Examples of Standard Rated Items Subject to VAT at 20%

Food that is:

- consumed on premises (hot or cold)
- hot takeaway food
- pastries kept in a heated cabinet
- chicken or sandwiches kept warm
- potato based snacks like crisps
- ice cream and frozen yoghurt
- chocolate bars and chocolate coated biscuits
- cereal bars
- hot porridge and toast
- roasted and salted nuts

Drinks that are:

- consumed on premises (anything)
- hot drinks
- soft drinks, energy drinks and smoothies
- alcohol
- water

Retail products:

- coffee machines
- coffee equipment



## Examples of Zero-rated Items Subject to VAT at 0%

Food that is:

- cold takeaway food
- salads and cold sandwiches
- condiments and seasonings
- requires further preparation by the customer, like reheating or serving on a plate
- cakes, brownies, non-chocolate-covered biscuits
- non-potato snacks like chickpea puffs and root veg crisps
- all unshelled nuts

Drinks that are:

- cold takeaway drinks
- iced coffee and iced tea
- milkshakes
- bovril

Retail products:

- coffee beans
- tea bags

