

Loose end

Unrecorded shooting income

If the landowner is a member of a syndicate, HMRC will expect the landowner to account for VAT on the open market value of the rights granted to the syndicate and also on the supply of any goods and services, such as those of the gamekeeper or others working on the shoot. This VAT will be payable even if no money changes hands.

Many tax advisers will fail to ask their clients if they enjoy shooting with a syndicate on the farm or what farm resources are used on the shoot. There is the potential for HMRC to collect large amounts of income tax and VAT going back a number of years.

It is the unrecorded 'barter' that causes the problem as many tax advisers (like accountants) are vulnerable unless they are provided with recorded figures and transactions to check. The key is to ask the question and be in a position to advise the client prior to the inspection.

*Julie Butler FCA,
Butler & Co,
Alresford,
Hampshire.*