

Eat Out to Help Out & VAT (last updated August 28th 2020)

The Eat Out to Help Out Scheme has been hugely successful with **over 64 million meals** claimed for as it entered its final week.

There were hopes that this would be extended but the decision has been made not to, however, it could be re-introduced later in the year.

With this in mind there will no doubt be concerns that trade will fall so we would encourage you to look at continuing the offer, as long as your costs allow, or look at an alternative offer to replace this Monday – Wednesday.

You could look to extend when you run the offer if you feel that it would benefit you on other days of the week or quieter trading times

Remember you still have the benefit of the reduced VAT until the 12th January 2021 which will allow you to absorb some of the discount/offers.

Please cost all dishes and make sure you still make enough cash profit to make the offer worthwhile, see below tools below to help you with this:-

Promo Ideas -

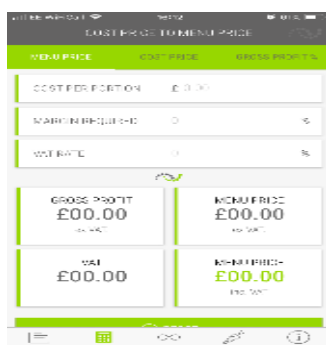
- Eat Out – 50% off food & soft drink up to £10 per person
- Buy 1 Get 1 Free
- 40% off total bill, including soft drinks
- £10 off 3 Courses
- £x.xx off 2 Courses
- Family Feast – set offer for a set price, include a decent discount from normal price

We have a costing sheet you can use and a ready reckoner so they can see how much they would make.

Ready Reckoner - <https://www.admiraltaverns.co.uk/wp-content/uploads/2020/08/Ready-Reckoner-1-5-VAT.pdf>

Costing Sheet - <https://www.admiraltaverns.co.uk/wp-content/uploads/2020/08/Master-Menu-Costing-Sheet.xls>

Alternatively, you can use the Lynx Gross Profit Calculator App –



Reduced VAT

How long is the discounted 5% rate for?

- This applies from the 15th July 2020 to 12th January 2021

How can I take advantage of the reduced VAT?

You can look to pass the reduction on to your customers as it will allow them to –

- stay in longer
- spend more
- increase the number of visits

Alternatively, you could benefit directly from the reduction and keep your usual selling prices. This is your decision to make

What does the reduced VAT apply to? –

- **ANY food or drink** (hot or cold) for consumption **on** the premises of which it is supplied (includes crisps & nuts etc) or
- **ANY hot food or hot drink** for consumption **off** those premises

What do I need to do to make sure this is applied correctly?

- Make sure you discuss with your accountant and that they are set up to claim the correct rates

Eat Out to Help Out Scheme Registration

As long as my business was registered on or before the 7th July, how do I register? –

Click the link and follow the easy step by step process -

- <https://www.gov.uk/guidance/register-your-establishment-for-the-eat-out-to-help-out-scheme>

How do I make a claim & what records do I need to keep? –

- <https://www.gov.uk/guidance/register-your-establishment-for-the-eat-out-to-help-out-scheme#making-a-claim>

When & How Do I Claim my Money on the Eat Out Scheme and what Records do I need to keep? –

When you can claim

You can make a claim after 7 days from the date of your registration. The earliest you can make a claim is 7 August. You can only claim for scheme discounts you offered on or after the date you registered.

What records you'll need -

You'll need the records you've kept for each day you've used the scheme, including the:

- total number of diners (covers) who have used the scheme, including children
- total amount of discount you've given
- period you're claiming for

If you're making a claim for more than one establishment, you will need to have the:

- records for each establishment
- overall total value of the claim for all establishments ready before you claim

How to claim -

You cannot make a claim yet. The service to claim reimbursement will be available from 7 August 2020. You can make up to 5 claims before 30 September. You cannot claim after that. When you sign into the service you must choose the periods that you claiming for, from:

- 3 to 5 August
- 10 to 12 August
- 17 to 19 August
- 24 to 26 August
- 31 August

You'll also need to enter the total number of covers and claim value for each establishment that has offered the scheme discount.

Records you must keep -

You can keep records relating to the scheme in a way that suits your business. To show the link between the number of diners who got the discount and the total value of scheme discount being claimed for in each claim period, for each day you must have a record of the:

- total number of diners who have used the scheme discount in your establishment
- total value of all eat in food and non-alcoholic drink sold where the scheme discounts were given
- total value of scheme discounts you've given and claimed for

If you are using the scheme for more than one establishment, you must keep these records for each.

What happens next -

Once you've claimed, you'll get a claim reference number. HMRC will then check your claim is correct and pay the claim amount by BACs into the bank account you gave when you registered, within 5 working days.

Paying tax

You'll still need to pay VAT based on the full amount of your customer's bill before the scheme discount is applied. This amount needs to be reflected in the correct VAT return for the period the transaction took place.

If your point of sale system does not allow you to account for VAT accurately under this scheme, you can manually adjust your VAT account after the sale. If you cannot include the adjustment in the period the transaction took place, you should estimate the VAT and you must account for any difference in your next VAT return. The payment you receive will be treated as taxable income.

If you need to make a correction

The Government have said they will update the guidance with instructions on how to amend a claim before 7 August. If you need to correct any information given during registration or amend your registration, you'll need to contact HMRC

Useful links

- **More information about the Eat Out to Help Out Scheme**
https://www.gov.uk/government/publications/get-more-information-about-the-eat-out-to-help-out-scheme/get-more-information-about-the-eat-out-to-help-out-scheme?utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- **Register for the Eat Out to Help Out Scheme**
https://www.gov.uk/guidance/register-your-establishment-for-the-eat-out-to-help-out-scheme?utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- **Promotional material for the scheme**

https://www.gov.uk/government/publications/eat-out-to-help-out-scheme-promotional-materials?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout

- **Get help from HMRC if you need extra support**
https://www.gov.uk/get-help-hmrc-extra-support?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- **Financial support for businesses during coronavirus**
https://www.gov.uk/government/collections/financial-support-for-businesses-during-coronavirus-covid-19?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- **Coronavirus (COVID-19) business support**
https://www.gov.uk/coronavirus/business-support?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- **Find out how to make your workplace COVID-secure**
The UK Government, in consultation with industry, has produced guidance for business to help ensure workplaces in England are as safe as possible during the coronavirus pandemic.
https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout
- Register to join free webinars, hosted by the Department of Business, Energy and Industrial Strategy, to find out more about how to make your workplace COVID-secure.
https://www.eventbrite.co.uk/o/department-for-business-energy-and-industrial-strategy-18685150848?utm_campaign=covid_webinars_2020&utm_medium=referral&utm_source=stakeholder&utm_content=ogds
- **NHS test and trace: how it works**
https://www.gov.uk/guidance/nhs-test-and-trace-how-it-works?&utm_source=HMRC-DCS-Handout&utm_campaign=DCS-link&utm_medium=Handout