

CHARITY / Celebrity backs campaign

Anchor House takes on government over tax bill

A CATHOLIC homelessness charity facing a million pound tax bill has said it is embroiled in a David and Goliath-like fight with the Government, writes Rose Gamble.

Speaking ahead of World Homelessness Day, on 10 October, Caritas **Anchor House** said it was unable to complete the development of "move-on" flats because of the unexpected bill. The tax demand has come about because the charity now defines itself as a "residential and life skills centre" rather than a "homeless hostel".

The journalist Jeremy



Paxman, pictured below, a patron of the east London charity, said that the government's claim that it was now eligible for a

£50,000 VAT bill every month was an absolute disgrace. "On World Homelessness Day the powers-that-be should think whether they really want to damage an organisation which seeks to do nothing but good for people unfortunate enough to find themselves without a roof over their heads. They must be mad," he added.

Caritas **Anchor House** is appealing the decision and

has requested a date for a tribunal. Yet, despite lining up pro bono legal support, chief executive Keith Fernett estimates costs of challenging the tax bill could reach £500,000. "A small homeless charity in the east end of London cannot compete with a government department," he said.

"They [HM Revenue and Customs] are trying to close the budget deficit by clobbering the charity sector", he added.

Fernett described the department's response to the charity's challenge to the tax bill as "somewhat intimidating", with HMRC questioning the Caritas **Anchor House's** financial management. He referred to a climate of suspicion following the demise of Kids Company earlier this year.

The charity was due to highlight the issue at its reception to mark World Homelessness Day at the House of Lords on Thursday.

