

## Big tax victory for homelessness charity

THE CATHOLIC homeless charity Anchor House has won a major battle against HM Revenue and Customs concerning a VAT bill.

The decision means that 25 new flats for homeless people in London can now be opened for use.

Last year HMRC billed the homelessness charity £1 million in VAT for a property it owned in Newham, east London, which the charity intended to use as moving-on flats for homeless people.

HMRC changed the designation of the building, in Newham, to that of a "residential and life skills centre" rather than a "homeless hostel" after the charity updated the description on its



**A man begs in London**

website about the services it provided, while insisting the use of the development had not altered fundamentally.

Following the latest decision to reduce the VAT bill, the chief executive of the

charity, Keith Fernett, told the *Tablet* that an alliance of politicians, supporters and celebrities had persuaded HMRC to change its decision.

Among the individuals who lobbied HMRC was Stephen Timms MP, former chief secretary to the treasury who attended meetings with Mr Fernett and representatives from HMRC.

Although the decision means that the property can now be used to support homeless people, the charity has said that the negotiations had incurred costs of £1m. Meanwhile, one donor withdrew £500,000 because they said they wanted the money to go to homeless people and not to HMRC.

