

## Fact Sheet 15

### VAT charges for Charities such as Dyslexia Associations

Lucid has corresponded with HMCE and has now been provided with enough clarification to state the following. Lucid is authorised to 'zero rate' (meaning it does not have to charge VAT) the supply of CoPS, LASS Junior, LASS Secondary and LADS systems when purchased by a registered charity such as a Dyslexia Association (or any other registered charity for that matter) so long as the following conditions are met:

1. The charity must be registered and provide Lucid with evidence of this (a cover letter with the order showing their charity number and address is adequate); and
2. the charity must complete and send to Lucid "Certificate F" (see a real example of a page one of a completed Certificate F below) ticking the relevant boxes. So far for the Certificate Fs that we have received from Dyslexia Associations indicate that they are a charitable institution and that they are using our software for dyslexia diagnosis. We received the example of Certificate F shown below from a Dyslexia Association and to confirm the appropriateness of this request for VAT exoneration we passed it and supporting information to HMCE. HMCE approved this case and subsequently confirmed more generally to us that Lucid could supply its software zero rated "*when purchased by a registered charity for diagnosis of dyslexia when the appropriate certificate [Certificate F] is provided to your company [Lucid]*".

We would anticipate that many more Dyslexia Associations would also be able to make similar requests to us for VAT exoneration when purchasing our software. All you have to do is provide Lucid with an appropriate cover letter and completed Certificate F.

You can obtain (download or print) Certificate F directly from the HMCE website. The URL is <http://www.hmce.gov.uk/forms/graphics/701-6cf.pdf>.

This form is part of Form 701/6 Supplement issued April 1997 and can be found by going to [www.hmce.gov.uk](http://www.hmce.gov.uk) and then going to '*Forms and publications*' then to '*Catalogue of publications*' then scroll down the table of forms to see '*Form 701/6 Supp*' then click to '*View on-line*' and near the bottom of this page is a link to '*Certificate F*'. Click on '*Certificate F*' to view the form, print it out fill it in and sign it and send it Lucid so that we can omit a VAT charge on the goods that we supply to you.

More generally, we would advise you to contact the VAT section of HMCE.

See the following page extracted for a real example of a Certificate F that we received from a Dyslexia Association.

Real example of the first page of Certificate F (2 pages in total) received by Lucid

CERTIFICATE F 13

**RECEIVED 08 FEB 2001**

Certificate F

**PURCHASE BY AN ELIGIBLE BODY OF OF  
COMPUTER SOFTWARE FOR USE IN MEDICAL  
RESEARCH, DIAGNOSIS OR TREATMENT**

**PART 1 - to be completed by the purchaser**

I ..... (TREASURER) ..... (full name) [tick boxes  as appropriate]  
DYSLEXIA ASSOC ..... (status in organisation)  
of ..... (name and address of  
..... organisation)

which is:

- a Health Authority or Special Health Authority in England or Wales
- a Health Board in Scotland
- a Health and Social Services Board in Northern Ireland
- a hospital whose activities are not carried on for profit
- a research institution whose activities are not carried on for profit
- a charitable institution providing care or medical or surgical treatment for handicapped persons
- the Common Services Agency for the Scottish Health Service
- the Northern Ireland Central Services Agency for Health & Social Services
- the Isle of Man Health Services Board
- a charitable institution providing rescue or first-aid services
- a National Health Service trust established under Part 1 of the National Health Service and Community Care Act 1990 or the National Health Service (Scotland) Act 1978

declare that the above named organisation is buying  or hiring

from:  
LUCID RESEARCH LTD ..... (name and address of  
PO Box 63, Beverley, East Yorkshire, HU17 ..... supplier)  
822

the following computer services by way of computer software:  
LUCID CO'S ..... (description of  
..... services)

and is paying for this supply with funds provided entirely by a charity or from voluntary contributions.

I also declare that the computer software is to be used in  
medical research   
medical diagnosis

**Important note.** We believe that all information is correct at time of going to press (October 2001).