

Venables and Kessler on The Taxation of Charities
7th Edition

By James Kessler QC and Harriet Brown
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In the Preface to the Seventh Edition of this book, the authors state that the object “is to discuss as thoroughly as possible the law and the practical problems faced by charities and donors to charity”. It will be for each reader to consider whether or not this object is met. At the beginning of this review, let the writer state that in his view the answer will most often be in the affirmative.

In the 799 pages, over 33 chapters and an appendix, the authors, who are both from Chambers at 15 Old Square at Lincoln’s Inn, discuss statute and case law, HMRC and other (mainly Charity Commission) practice and analyse these in depth. There are many helpful examples given and much useful discussion. One example of this is in Chapter 7 where, at 7.17, there is useful discussion of why the trading exemption is narrow and of the potential for change.

All direct taxes are covered where relevant to the taxation of charities and issues concerning donations to charity in the widest meaning of “donation”. VAT is also covered as it is relevant to many issues otherwise dealt with, for example fundraising and the difficult area in practice of business sponsorship and advertising in that context. The book does not, however, deal extensively with VAT issues for charities such as the way in which VAT applies to property transactions by charities. This reviewer does not hold that against the book as it seems certain that such an omission is intentional. To cover all VAT aspects of charities would add several hundred more pages. In addition, that area of practice is well catered for by other books.

The book contains several chapters dealing with Gift Aid, one on donations by individuals, where the law and practice are discussed at length with sections of HMRC Guidance helpfully reproduced in context. Another dealing with income tax and inheritance tax reliefs on gifts by will or instrument of variation, including the “double dip” issues, where both reliefs are sought on the same donation. This chapter discusses, with a useful example, the use of Qualifying Investment Donation Relief.

Charitable gifts of a share of residue from a deceased’s estate create a number of difficult issues in practice for professional advisers of the testator, executors and the receiving charity. Chapter 24 contains a detailed discussion of the issue, with extensive reference to case law, including the well known case *Re Benham* [1995] STC 210, and offers (as does the book generally) a number of practical suggestions to avoid an unintended outcome. Understandably, the discussion deals mainly with the position in England & Wales with the New Zealand case *Re Hamblett* (2007) also discussed. In this area, but not generally, there is no specific consideration of the position in Scotland or Northern Ireland.

The book contains useful chapters dealing with Community Amateur Sports Clubs and with Rating Relief (covering all three jurisdictions within the UK).

This reviewer had the pleasure of reviewing an earlier edition of this book. With reference to that earlier edition the conclusion was that that edition was an “excellent book” which was recommended to practitioners. The conclusion on this Seventh Edition is that this is no less an excellent book which practitioners advising clients wishing to donate to charity, or advising charities, should have in their library.

The book costs £150 (with a discounted price of £99 for a "Registered Charity"). For this price, in addition to the book, the purchaser obtains a single user licence to the online version, in which updates and corrections will be featured, together with discussion pages. The printed version of the book contains a good index and tables of cases and statute. The online version has a search facility. Taken together, this combination is excellent value for the price.

Professor Alex McDougall