

VAT partial exemption claims – floor area special method[London Clubs Management Limited \(FTC/25/2009\)](#)

The Upper Tribunal has rejected HMRC's appeal against a First Tier Tribunal decision that a partial exemption method based on the use of particular areas of casinos can be valid. The Upper Tribunal rejected, in particular, HMRC's contention that the method failed to recognise the relatively greater contribution to profit of the Taxpayer's exempt gaming activities in comparison to the less profitable taxable activities.

Comment

This case will be of interest to all partly exempt businesses for which a method based on floor area might yield a more accurate apportionment of VAT incurred on residual costs.

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