Summer 2026

Charity Bulletin

UNW's regular update about topics of financial interest to charities and not-for-profit organisations

Updated Charity Governance Code

A look at the eight key principles.

Code of Fundraising Practice

Are you meeting the rules?

Charity SORP – What's Changing?

Highlighting some significant tweaks that may require additional thought.

In conversation with...

Tracy Lynch

Greggs Foundation Manager

Meet the team

Whether you are a registered charity, an academy trust or a not-for-profit entity, we understand your perspective and focus to ensure you do the best you can for your beneficiaries, students or communities.

Our experienced, specialist and multi-disciplinary team can work collaboratively to ensure solutions cover all aspects – including compliance, good governance and tax obligations.

If you have any questions about the topics covered in the publication, please contact a member of the UNW Charity Group using the details below.

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You're invited to UNW's next Charity Group event...

UNW Charity Tax Update

Join us at UNW's offices on Thursday 25th June for a run through of the recent changes in tax rules and HMRC approaches to charity tax compliance.

Breakfast and refreshments will be provided.

Date: Thursday 25th June

Timings: Registration from 9:00am for 9:30am start/closing at 10:30am (approx.)

Venue: UNW, Citygate, St James' Boulevard, Newcastle upon Tyne, NE1 4JE

To register your place, please complete the form on our website here or email events@unw.co.uk for further information.

Welcome to our latest bulletin.

This edition's "star turn" is Tracy Lynch, Manager of The Greggs Foundation, who features in our 'In conversation with…' series. In the interview, she talks to us about her career, the history and key initiatives of the Foundation, and how they're adapting to changing government policy as Breakfast Clubs move to a statutory funded provision.

The updated Charity Governance Code was published in late 2025, and has added an eighth principle, and the Fundraising Regulator has also issued an updated code of practice – we have set out some of the changes on the following pages.

I am sure by now you are all aware that the new SORP was published at the end of October and is now in effect, impacting year ends from 31 December 2026 onwards.

We are publishing a series of articles on our website covering the key accounting changes, which apply to both corporate and charitable entities, but we have summarised the other forthcoming changes driven by the SORP in an article on page 14.

In our next briefing on **Thursday 25th June**, we will be looking at charity tax, with particular (but not exclusive) reference to trading subsidiaries. The accounting changes coming in with FRS 102 will have some impact on the potential tax treatment as well and so if you think this could impact you then please sign up **here** or email events@unw.co.uk for more information.

Hope to see some of you soon, but if anyone has any questions on the topics in this bulletin then please get in touch.

Anne

Anne Hallowell
Charity and Not-for-Profit Partner at UNW

Updated Charity Governance Code

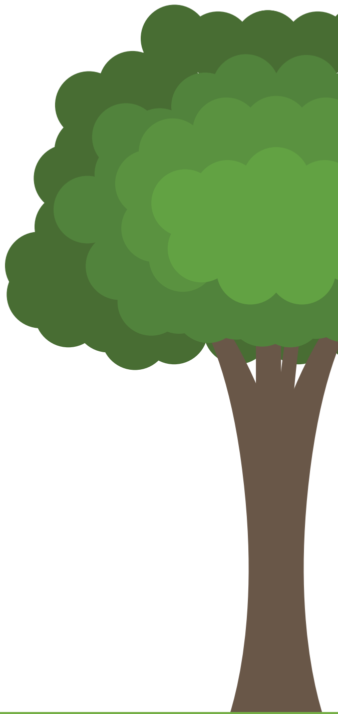
For the benefit of those not overly familiar with the code, this article looks at the key aspects of the code, rather than just the differences and amendments to the old code.

The Charity Governance code sets out eight key universal principles. Each of these describes what you'd expect to see in your charity (with 41 outcomes in total) to show your governance is working well.

All charities, regardless of size or complexity, are expected to follow the principles and try to achieve the outcomes set out for each principle. Behind each principle are a series of expected behaviours, which will be supported by policies and procedures tailored to the charity. The code also gives examples of good practice but note that this is not intended to be an exhaustive checklist that everyone must do, but more of a prompt to consider.

The format of the code gives a definition for each principle, some indicators of when it's working well, followed by behaviours, policies and evidence of good practice.

We are not going to reprint the entire code here but set out on the right hand page is the 8 principles.



02
Organisational purpose
The board is clear about the charity's aims and how these benefit all or part of the public. It ensures that activity is targeted at achieving those aims both in the short and long term.

03
Leadership
The charity is headed by an effective board that provides strategic leadership in line with the charity's purpose and values.

04
Ethics and Culture
The board has agreed the standards and values which shape the charity's behaviours and culture. This includes being open about how the charity operates and responding thoughtfully to feedback.

05
Decision making
The board makes effective decisions that best serve the charity's purposes. Trustees take personal responsibility for carefully considering each decision and working to reach agreement.

06
Managing resources and risk
The board takes responsibility for stewarding, developing and allocating resources. The board identifies the risks to achieving the charity's aims and agrees how to navigate them. The board seeks assurance that risks are properly managed.

07
Equity, diversity and inclusion
The board has a clear, agreed and effective approach to supporting equity, diversity and inclusion (EDI) throughout the organisation, including in its own practice.

08
Board effectiveness
The board works well together, using an appropriate balance of skills, experience, backgrounds and knowledge. It reviews its performance on a regular cycle and takes steps to improve.

01
The Foundation principle
Trustees take responsibility for, and invest the necessary time and care in, understanding the charity, their responsibilities and legal duties.

Compliance with the code is not mandatory, and is designed as a practical tool for trustees to encourage discussion about standards, behaviours and processes that are helpful in cultivating good governance.

However, meeting the Code's principles and outcomes would provide strong assurance to external stakeholders that a charity is well governed. Anyone who has adopted the code, or is working through adoption with a plan to improve in certain areas, would do well to explain this within the Governance section of their Trustees' report.

The full code can be found **here**

Code of Fundraising Practice

The new code came into effect on 1 November 2025.

Any fundraising carried out on behalf of your charitable organisation – whether by staff, volunteers or paid fundraisers – should meet the rules in the code to ensure it is legal, open, honest and respectful.

The code is divided into three parts:

Part 1:

Sets out how you should behave when interacting with donors and members of the public. This part applies to all fundraising activity, regardless of who you are working with or the method being used.

Part 2:

Covers rules on working with others when fundraising, such as volunteers, children, professional fundraisers or commercial partners. It includes rules on training, due diligence checks on partners, contractual obligations, and rules on engaging with people in vulnerable circumstances.

Part 3:

Outlines the rules that apply to different fundraising methods. You should identify the method(s) you intend to use and meet the rules in the relevant section.

Further information about the code, and how to use it, can be found **here**.

The regulator has produced guidance over the application of the code to some common areas of fundraising, including:

Click the boxes below to explore guidance on each area in more detail.

Community fundraising and events

Lotteries and raffles

Online giving

Cash collections

And there are further guides to support you in using the code:

Documenting your fundraising decisions

Due diligence and fundraising

Monitoring fundraising partners

Under the Charities (Protection and Social Investment) Act 2016, charities required to have an audit must include a fundraising statement in their Trustees' Annual Report. This statement must cover: approaches to fundraising, work with third parties, monitoring of fundraising, compliance with voluntary regulations, and complaint numbers.

Key reporting requirements under the Fundraising Code of Practice include:

Approach to Fundraising:

Detail the methods used (e.g., door-to-door, digital, street fundraising).

Third-Party Involvement:

Disclose if professional fundraisers or commercial participators were used.

Monitoring Procedures:

Explain how the charity monitors fundraising activities carried out on its behalf to ensure compliance.

Voluntary Regulation:

State whether the charity is registered with the Fundraising Regulator or adheres to other voluntary schemes.

Complaints Handling:

Report the number of complaints received regarding fundraising activities.

Protection of Vulnerable People:

If you raise funds from the public, I would recommend refamiliarising yourself with the updated code, to ensure ongoing compliance.

In conversation with...

Tracy Lynch

Greggs Foundation Manager

The Greggs Foundation is a grant-giving organisation aiming to improve the health and wellbeing of people living in the communities where Greggs operates. It works to strengthen communities by expanding opportunities, increasing support networks and reducing the immediate impact of poverty through responsive, forward-thinking grant programmes that meet the real needs of people across the UK.

In 2027, the charity will celebrate its 40th anniversary. We sat down with its leader Tracy Lynch, a 'Greggs person through and through', to discuss the Foundation's history, how it's evolving to respond to recent government policy, and what they've got planned for the future...

Could we start with a bit about your own background, your work history and how you started at the Greggs Foundation?

I'm privileged to say that I'm a Greggs person through and through. I originally trained as a pâtissier but over the years I ended up working more front of house, I think mostly because I like being around people.

I've been with Greggs for over 30 years. For the first 20 years of that, I was part of the retail and commercial side of the business. And then in 2012, I was lucky enough to get a secondment with Business in the Community, a charity promoting responsible business. At that time, they ran a programme called 'Business Connectors', where they took people out of their company, dropped them into an area of need and asked them to try to create connections and partnerships between the private and voluntary sectors.

I'd always been heavily involved in the charity side of things at Greggs but more as an enthusiastic fundraiser! It wasn't until I had that 12 months on secondment that I realised I had this social conscience that was just itching to do more. A couple of years later, an opportunity to manage the Greggs Foundation came up and naturally I went for it.

I've been leading the Foundation for over 11 years now, and it's been the most perfect role for me as I still have the structure of a corporate business but the freedom to be socially conscious. The opportunity to meet and support fantastic schools and community organisations is incredibly fulfilling. I'm not here to drive commercial decisions but I get to prioritise impactful work that makes a difference in a range of communities.

Leading the Foundation for over 10 years is an amazing achievement. Could you comment on that?

It's a role that I'm incredibly proud to hold because I think we've really grown in the last 10 years, largely in response to the kind of societal issues that have come to light during that time.

When you think about it, there's been so many changes over the past decade. We've had COVID and a global financial crash and then constant political uncertainty. There's been a lot, but through all of it, we've been able to rise to the challenge and direct support where we felt we could make an impact.

In those 10 years, we've moved from a charity that has increased its giving from £1.5 million annually to last year, distributing £5.5 million. And we've been able to do that steadily without rushing at anything. We've been steadily making changes and growing our reach and, thankfully, have been fortunate to be able to offer more support.

Could you tell us a bit about the Foundation – how it came into being and a bit of its history up to today?

It's been going for as long as Greggs has, for over 80 years or so, but originally it was philanthropic money from the Greggs family. They were well known for their pie and pea suppers and generally doing good stuff in the communities where they traded.

But the charity itself will be 40 next year and the Foundation has really grown in line with the Greggs business. For instance, when Greggs became a Plc, we were gifted shares, and those shares have become an investment portfolio which gives us a regular income each year.

When I first joined the Foundation, Ian Gregg said to me that the reason he had started the charity was because historically Greggs traded in some of the poorest communities and on some of the poorest streets, and we had a greater responsibility to those communities because they were either our staff or our customers. That's still something at the core of what we do as a charitable foundation 40 years on.

> I've been leading the Foundation for over 11 years now, and it's been the most perfect role for me.

You've touched on the donations from Greggs, could you expand on that and on your other income streams?

Over the years, we have managed to diversify our income.

About 60% of our income comes in through Greggs, from a 1% pre-tax profit donation every year. But we also receive a proportion of the profits from their Outlet shops (selling unsold food at a lower price), a donation from some of their product lines, and from their carrier bag income.

Then other funding comes from the support we receive from around 150 different businesses and individuals that have become interested in contributing to our work in the community, especially the schools programme – Feeding Brighter Futures.

We also do traditional fundraising through events and Greggs colleagues who find all sorts of great ways to raise funds for the Foundation.

And then we have that investment portfolio I mentioned earlier. So, we've got a healthy diverse set of income streams that gives us flexibility but also the ability to make longer-term strategic funding decisions.

And there are 3 main grant-giving programmes, is that right?

Yes, we have our Community Action Fund which is core funding of £20,000 per year for a minimum of 3 years to community organisations, right across the UK, addressing the needs of their local community.

And then we have our schools programme, which was traditionally our Breakfast Club programme, that has been running for over 25 years. That's now

evolving and transitioning into a slightly different programme, since the government announced they would provide all primary school children with a free breakfast, and I'll talk more about this later.

And then both of those networks, both the community organisations and the schools, can apply on behalf of individuals that they work with within their network for emergency relief grants. These are designed to help individuals and families going through a crisis, to be able to help with things like white goods, beds or bedding, utility vouchers or even shopping vouchers.

You mentioned how the Foundation is reacting to changes in government policy with the evolution of the Breakfast Club, could you expand further on this?

Labour announced in their manifesto that they would provide all primary school children in England with a free breakfast.

It took some time for them to draw it up, but we were involved in discussions with the Department for Education policy team around how they intended to deliver it. They've gone with a policy of providing schools with funding, for food and staffing costs, and then the schools manage the process from there.

From our perspective, we are delighted that they have acknowledged it was needed. The Foundation have supported Breakfast Clubs for over 25 years, and we know that if children don't have a breakfast, they will go hungry, they won't concentrate at school and sadly won't fulfil their potential. It's been well studied and we knew that our programme worked.

But it has been difficult for us to manage that transition at times. Schools that haven't joined the government programme still access breakfast club funding through us because we wouldn't want to leave any children without their breakfast provision. We don't know how long we'll be doing this for at present so it's a case of wait and see as the government programme expands its reach to more schools.

And I suppose it impacts how the public view it? How can you keep people on board with continuing to fundraise for Breakfast Clubs when they might think: 'Oh, the government take care of that now'?

Yes, exactly. It has taken some time to get the messaging right so that our funders know how their donations are making a difference. We know the value of what we are supporting schools to deliver but ensuring that is communicated correctly has been difficult at times.

Our programme is now called Feeding Brighter Futures. And that will cover breakfast clubs, after school clubs, school enrichment programmes, and more. We've already seen the impact of that wider funding offer.

On that note, can you talk a bit about more about Feeding Brighter Futures?

We talk about Feeding Brighter Futures now as funding for 'programmes and places'. Schools can use their grants to set up a whole new programme, such as start an orchestra, introduce a new sport, or even launch Lego clubs. Or the money could be used to make sure children whose families couldn't afford a place at an existing club can get a free place using our grant.

We are really trying to break down those barriers to wider enrichment opportunities at school – cost should never be a barrier to opportunity.

One of the things we learnt from 25 years of working with schools is that children who aren't as academic often end up missing out because so much of school life is about doing well in tests. But it means that some children might not have that moment to shine and they leave and move on to secondary school never knowing what it is they're good at or have a passion for. But most of these things come with a cost, don't they? We tend to completely forget that not all children have the financial means to access additional activities or enrichment, or even go on a school trip. We had one school that used our funding just to ensure their gymnastics team had leotards to compete in at local competitions so the children didn't immediately feel that difference between them and the other schools competing. These small things, erasing those differences in opportunity, matter so much to children.

We've been surprised at how many schools have used the funding for travelling because lots of great cultural and historical attractions will offer the pupils free places, but the school then can't afford the travel to take them. We're very comfortable with that. We're really trying not to be over prescriptive in what the school uses the grant for. We want them to make sure there are opportunities for children out of the standard curriculum, and where they can, give children the chance to experience something that perhaps they just might miss out on.

We've already had some great feedback. A school in Birmingham where the children had wanted to learn a new sport, started a badminton club, and it's been a real success. They took their first £1000 grant from us and engaged with Badminton UK, who then really helped them in setting up their own weekly club which has gone down a storm with the pupils. They've since gone on to provide the kids with opportunities to go to tournaments in the UK, access equipment and have more professional coaching.

Like I say, that's just great because it's something that they wouldn't have had the chance to do otherwise. And they're using the badminton kit for the wider community now as well.

> **We are always happy to evolve our offer if the need is there and we feel we can grow our impact.**

Our funding isn't huge, it is £1000 per term, so £3000 a year. We may adjust that as we learn more about how the schools make use of the funding and the benefits the children get from it. We are always happy to evolve our offer if the need is there and we feel we can grow our impact.

The results from the first Greggs Pledge, a sustainability initiative launched in 2021 outlining ten key commitments to be achieved by the end of 2025, were recently released, and the next iteration is now up and running. Does the Foundation sit underneath the Pledge or to the side of it, how does that work and what is that going to look like for you going forward?

We are to the side of it I would say. It's a Greggs pledge, it's not ours. But it's important to us too. As an independent charity the Pledge gives us something to work on together and it ensures we have joint objectives to meet.

In the previous 5 years, we were working with Greggs to reach 1000 Breakfast Clubs. At the point we reached the 1000, there was a change in government and Labour's announcement to support breakfast clubs. It was quite timely, we'd reached that point where we'd done the programme for 25 years, the government was taking over, it felt right that we explore new directions.

We want to keep the network of schools we've spent 25 years developing but we are evolving this programme, so in the new iteration of the pledge, it was difficult to involve the schools.

Our focus in the next 5-year pledge has shifted towards the Community Action Fund and how many more community organisations we can offer support to. It works well with Greggs because we receive a proportion of the profits from the Outlet shops and that helps us to fund the Community Action Fund. Greggs prioritises food waste and the importance of reducing this by redistributing unsold food through the Outlet shops. And then we step in because we take that income and put it back into those communities.

I know we've talked about a bit about the future already, but do you have anything immediately on the horizon? Is it 40 years for the Foundation next year?

Over the last couple of years, we've been thinking about what we do because we're very aware that we do a lot of work at the crisis end. A lot of our grant giving goes to support people already in a crisis situation.

With that in mind, we have now started to fund some strategic grants to organisations that do that effective and important work at that preventative end. One such relationship is with the Rank Foundation in Sunderland, helping them with a place-based programme. This will be something that we would want to develop over the next couple of years.

And then as you say, we're 40 next year, and we really want to think about how we mark that.

Firstly, we have decided that we're going to put some additional grants out over the next 12 months. We're going to start this year and will be putting an additional £100,000 programme out so our schools can apply to do something exceptional that they wouldn't have been able to afford to do before.

For the community organisations it will be a grant to support bringing communities together because one of the things we're very conscious of at the moment is that society is becoming very divided. We may not be able to help directly but we do know some brilliant organisations that, with a little bit of extra money, will make something beneficial happen.

In addition, we're going to fund a leadership programme for our community organisations. Many are small charities and they may never have either had the resource or the time to consider a leadership course that would develop themselves, and the future of their organisation.

And, yes, there'll be a party at the end of all that! Our events manager will be desperate to start trying to organise what that will look like. But it's important that we celebrate a milestone like 40 years.

And finally, do you have any highlights from your time at the Foundation that you'd like to speak of?

There's been quite a few, because as we discussed earlier, in the last 10 years, there have been some big changes.

When COVID came, like lots of businesses, grant giving organisations were shutting down. We knew there was a need for our help more than ever. At the time, the DCMS (Department for Culture, Media and Sport) were offering some funding. We'd never applied to government funding before, but we did, and it was a match fund process – we asked for a million, and we asked our trustees for a million out of our investments, and we were successful!

Our relationship with Greggs has worked so well over the years. They're proud to have us and we're incredibly proud to work alongside them.

As you can imagine, we were busier than ever trying to get that funding out to make sure organisations right across the country were able to keep supporting their communities in what was an incredibly stressful and difficult time for so many people.

That was a pivotal moment because we felt we then couldn't let that level of funding slip. We realised we could work at that level, so how could we continue long-term?

We spent some time really developing our programmes to make sure it could happen. The relief programme, up until that point, had been about a £300,000 a year programme. During those 12 months of COVID, we disbursed around £1.5 million, and the programme has continued at around £1 million since then. We never went backwards. We learned how to manage it to ensure we remained effective for those communities.

And our relationship with Greggs has worked so well over the years. They're proud to have us and we're incredibly proud to work alongside them. The relationship is as strong now as it was 40 years ago.

But if I'm honest, it's the team that I have around me that I'm most proud of. Over the last few years, we have put in two new systems to help us automate some of the processes and are currently on our third and final stage. That's been a lot of change for everyone alongside our growing funding programmes. I really think the team that I've got is just brilliant. They're all highly adaptable and between them they've developed a huge skillset. And I know I will look back and feel privileged to have worked with such a wonderful team who all care about those communities we serve.

Charity SORP – What's Changing?

It's been a while since we had a new SORP – 2015 to be precise – although it was tweaked in 2019 to align with the triennial review of FRS102. We highlighted some of the proposed changes set out in the consultation draft in a bulletin last summer, and ran a Charity Briefing at the end of 2025 to go through the key changes, so I am hoping this is not news to most people but might prompt a bit of thought around the reporting requirements and what you could be doing now.

Whilst the main changes to the underlying accounting in two key areas (income recognition and lease accounting) have been driven by changes to FRS102 aligning with international accounting standards and cannot be overridden by the SORP, the SORP does include helpful guidance on the application to charities in both areas. I don't propose to try to cover those accounting changes in this bulletin, as it would quickly become a book, but if you have not been paying too much attention because it doesn't apply until your next year end, then I would recommend starting to do some research on the bits that might apply to you, particularly if you have contractual income or significant assets leased under operating leases.

Alongside those changes, the SORP making body took the opportunity to address a number of other areas, either to increase consistency and transparency of reporting, to add additional guidance on areas where treatment was variable under the old SORP and to try to simplify the requirements for smaller charities.

The first substantial change is to introduce 3 tiers of reporting requirements:

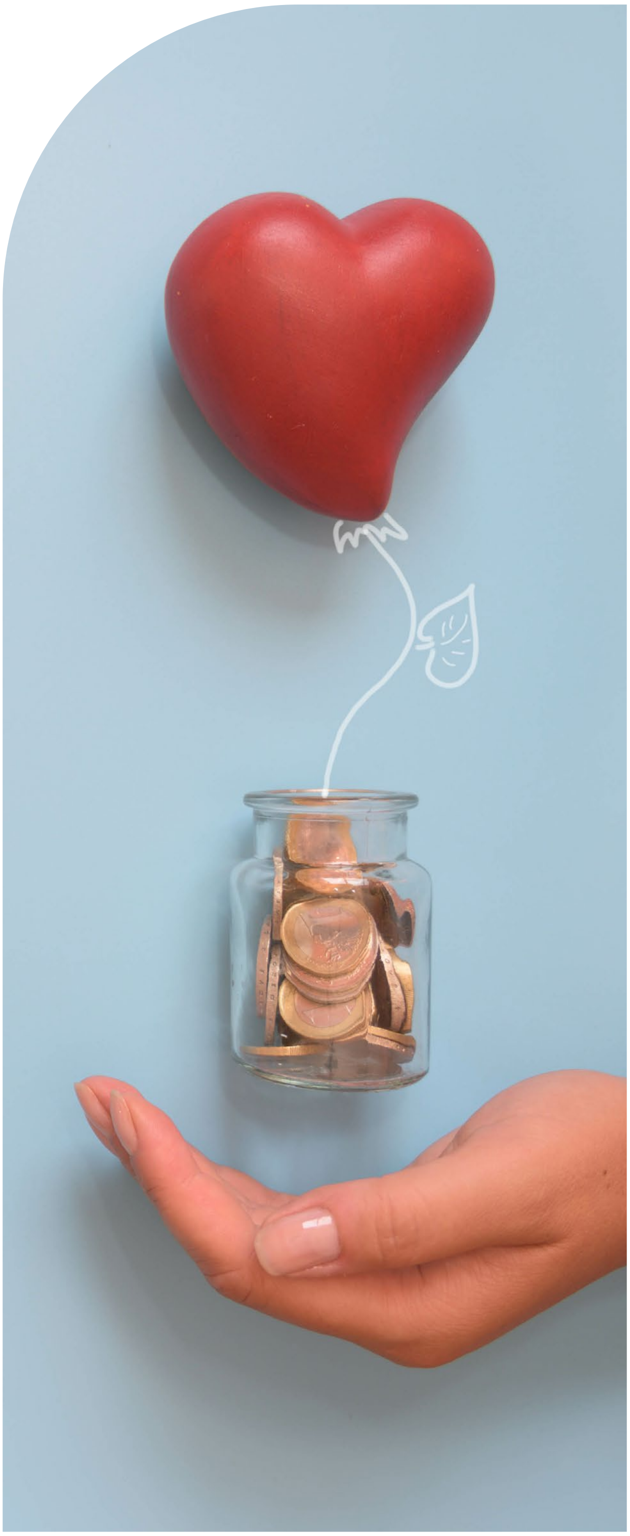
Tier 1 **applies to charities with gross income of up to £500,000;**

Tier 2 **applies to charities with gross income of over £500,000 but less than £15million; and**

Tier 3 **applies to charities with gross income of over £15 million.**

The tiers primarily apply to the requirements within the Trustees' Annual Report (TAR), which is now structured to clearly set out what applies to Tier 1 charities first in each section, with then additional requirements for Tier 2 and Tier 3, the assumption that all charities have to comply with the requirements for Tier 1.

We have set out below the main requirements (please don't take this as a comprehensive list as it isn't!), much of which is not new. **However, we have highlighted in pink where the guidance has been updated or what is a significant change and may require additional thought.** It is also worth noting that, with the introduction of the new tiers, there may be some requirements that although they were there before might not have previously applied to you or ones that you previously included but are no longer required for your size.



Following the main headings of the SORP:

Objectives and activities

All charities must provide a summary of the purposes of the charity and the main activities undertaken in relation to those purposes, and explain the main activities to further the objectives for public benefit.

In addition, Tier 2 and 3 charities must also give a more detailed understanding of short and long term objectives, and **the scale and resources used to provide those activities**, explain their grant making activities or social investment, and provide information on the use of volunteers **(number and explanation of the work that they do).**

Achievements and performance

All charities must include a summary of the main achievements of the charity.

In addition, Tier 2 & 3 charities must set out the extent to which achievements meet the aims and objectives, include a review of investment performance and set out the **impact the charity is making which should include a summary of measures or indicators used to assess performance, explanation of outputs achieved by particular activities, and information on activities, outputs and outcomes in the context of how they have contributed to achievements.**

Information on both positive and negative factors that have affected achievements should be given.

Tier 3 charities must also include a review of material fundraising activities.

Financial review

All charities must review the financial position at the end of the period, identify any fund or subsidiary materially in deficit, explain the policy for holding reserves, including the amount of those reserves and why they are held and **provide a reconciliation of reserves to the figures in the financial statements, if not obvious.** They should also explain steps being taken to align the actual reserves to the policy, and provide an explanation of the nature and expected timing of expenditure in relation to designated reserves.

Reserves describes that part of a charity's income funds that is freely available to spend on any of the charity's purposes, and the definition has changed from the Free reserves of the previous SORP. If you have designated funds where the funding has not been committed, these are now included within the available reserves, and so designated funds will not be deducted in providing the reconciliation highlighted above.

In addition, Tier 2 & 3 charities must comment on significant events that have affected financial performance, disclose the principal sources of income and how they have been spent to support key objectives.

- **The impact of material legacy income recognised prior to being received.**
- **Explain the policies for selection and retention of investments.**

And Tier 3 charities must explain any factors likely to impact performance or position in the future.

Plans for future periods

- All charities must provide a summary of future plans.

In addition, Tier 2 & 3 charities must:

- Include the aims and objectives in the future, with any plans to achieve them.
- Trustees' perspective on the future direction, including how experience gained or lessons learned from past activities have influenced future plans.

Structure, governance and management

- No significant changes

Reference and admin details

- No significant changes

Sustainability

Tier 1 and 2 are encouraged to explain how the charity is responding to and managing environmental, governance and social matters.

Tier 3 must provide a summary of how the charity is responding to and managing environmental, governance and social matters. This could include:

- **KPIs used to assess progress against targets to manage clients related risks and realise climate opportunities.**
- **Details of social opportunity, privacy and data security, board diversity and ethics.**
- **Governance matters may include things such as privacy, cyber security, data security and business ethics.**
- **Social matters may include information on employee engagement, wellbeing, board diversity and supporting the local community.**

Audit thresholds are changing!

(All figures are Gross income, apart from the final line)

These take effect for accounting periods **ending** on or after 30 September 2026.

Requirement	Old threshold	New threshold
File accounts with the Charity Commission	£25,000	£25,000
Independent examination	£25,000	£40,000
Independent examination by a qualified person, and accruals accounting	£250,000	£500,000
Statutory audit Gross income over	£1,000,000	£1,500,000
Or Gross income over	£250,000	£500,000
And Gross assets over	£3.26 mill	£5 mill

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Temporary VAT cut announced for family attractions and children's meals

The Government has announced plans for a temporary reduction in VAT on certain family attractions, children's meals and entertainment tickets over the school summer holidays, in a move aimed at helping families manage the rising cost of living.

The temporary measure, announced by Chancellor Rachel Reeves as part of the Government's "Great British Summer Savings" package, would reduce VAT from 20% to 5% on qualifying supplies between 25 June and 1 September 2026.

The reduced rate is expected to apply to admissions for attractions such as theme parks, zoos, museums and soft play centres, alongside children's cinema, theatre and concert tickets. Children's meals in restaurants and cafés are also expected to qualify.

The move has drawn comparisons with the temporary VAT reliefs introduced during the Covid-19 pandemic for the hospitality and leisure sectors.

Commenting on the proposed changes, UNW VAT Partner Mark Hetherington said:

"This will be welcome news for businesses operating across the hospitality, leisure and attractions sectors heading into the key summer trading period. It should also provide some support for families looking to do something with children over the school holidays at a time when household budgets remain under pressure."

However, Mark noted that a number of important points still require clarification.

"At the moment, draft legislation and detailed HMRC guidance have not yet been published, so the detail will be important. Businesses will want clarity around exactly which supplies qualify and how the temporary relief will operate in practice."

Mark also highlighted one omission from the details released so far.

"One slightly surprising aspect is that the announcement does not currently define up to what age HMRC considers a person to still be a child for the purposes of the relief. We would expect that to be clarified fairly quickly given how fundamental it is to the operation of the measure."

Further detail is expected once draft legislation and HMRC guidance are released, with businesses likely to welcome early clarity on the practical operation of the temporary relief.

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Unlike others
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