

November 2025 APS VAT Assessment Narrative

Structure

A simple Pass or Fail will be awarded.

In determining whether a Pass or Fail is awarded the following will be considered:

1.	Overall format
2.	Introduction and Conclusion
3.	Clear layout with headings
4.	Flow of answer
5.	Appropriate style
6.	Grammar and spelling
7.	Appropriate calculations
8.	Lack of irrelevant material

See detailed guidance on what will amount to a MINOR fault or a MAJOR fault.

For each of the headings above, a candidate will receive a single result of NO fault, MINOR fault, or MAJOR fault. Thus 4 MINOR faults in one heading will not result in 4 MINOR faults. They will either be graded as 1 MINOR fault or if, cumulatively, they are sufficiently serious, as a MAJOR fault.

A candidate will pass Structure if they have either:

- 1) NO MAJOR faults; or
- 2) 1 MAJOR fault and no more than 3 MINOR faults.

A candidate will fail Structure if they have either:

- 1) Two or more MAJOR faults; or
- 2) One MAJOR fault and 4 or more MINOR faults.

Identification and application

The following are the relevant topics for assessment with their weightings:

1.	VAT 15%	Identifying historic overpayments of VAT by SCL on TEFL courses. Applying the relevant rules governing claims for repayment, time limits and defences HMRC may raise, & impact on input tax recovery.
2.	VAT 20%	Identifying the VAT treatment and place of supply rules for other supplies such as property-letting and course material. Applying the rules to the supplies made including consideration of the deduction of input VAT and the possible need for apportionment.
3.	VAT 15%	Option A - Identification and application of the VAT issues relating to Option A including the VAT registration position of the teachers depending upon the type of course offered.
4.	Employment taxes & CT 15%	Option A - Identification and application of the Employment Taxes and CT issues relating to Option A including anti-avoidance rules where a PSC is used ("IR35") and that, based on turnover and balance sheet, SCL is currently a "Small Client" and compliance obligations fall on PSCs.
5.	VAT 20%	Option B - Identification and application of the VAT issues relating to Option B including the change in the contractual framework and the application of VAT to the commission charge.
6.	Employment taxes & CT 15%	Option B - Identification and application of the Employment Taxes and CT issues relating to Option B including less risk of challenge where teachers are principals and deduction of costs for CT

A grade of 0, 1, 2, 3 or 4 is awarded for each topic. The weighting is applied to that grade to produce a weighted average grade.

Relevant Advice and Substantiated Recommendations

1.	VAT 15%	Advising on making a claim for overpaid VAT (giving credit for input VAT under-deducted) and recommending SCL obtains evidence to rebut unjust enrichment.
2.	VAT 20%	Advising on the VAT liability of other supplies such as possibly opting to tax property lettings and zero rating of course material
3.	VAT 30%	Advising on the most beneficial Option from a VAT perspective
4.	Employment taxes, CT and Alternatives 35%	Advising on the non- VAT risks relating to the options and suggesting alternatives

The final grade will be determined for this skill in the same way as for Identification and Application. Credit will be given for other valid recommendations supported by appropriate reasoning.

Credit will be given for alternatives to the Suggested Solution, provided these are realistic, commercial, and supported by appropriate reasoning.