

Standard rated smoothie

[Innocent Ltd v Revenue & Customs \[2010\] UKFTT 516 \(TC\)](#)

Summary

The First Tier Tribunal has decided that a fruit 'smoothie' drink is a 'beverage' which is excepted from the scope of VAT zero-rating and therefore standard-rated.

Background

The Appellant produces a range of fruit 'smoothie' drinks which are, the First Tier Tribunal (FTT) noted, produced from various fruits and water and are meant to be drunk as a liquid although they are rather 'thicker' than many other drinks. The question for the FTT was whether the fruit smoothies constituted "other beverages (including fruit juices and bottled waters) and syrups, concentrates, essences, powders, crystals or other products for the preparation of beverages" for the purposes of exception 4 to the zero-rating of food and drink for human consumption (item 1, Grp 1 Sch 8 VAT Act 1994). The Appellant sought to persuade the FTT that the smoothies were more akin to fruit eaten as food, e.g. a fruit salad, than to a 'beverage' in the ordinary sense of the word, and should not be excepted from zero-rating as other 'traditional' beverages (e.g. alcohol and soft drink) are.

However the FTT decided that the smoothies were not similar to fruit salad because they were liquefied, were marketed as drinks in competition with fruit juice, could be offered as an alternative to other beverages, and could be considered to 'beverages' in the ordinary meaning of the word. The appeal was therefore dismissed.

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