

The recoverable amount of residual input tax is therefore:

Taxable input tax (recoverable)	=	£12,500	(directly attributable to taxable supplies)
	+	£10,200	(recoverable amount of residual)
		<u>£22,700</u>	
Exempt input tax (non-recoverable)	=	£ 7,500	(directly attributable to exempt supplies)
	+	£ 4,800	(exempt amount of residual - that is £15,000 - £10,200)
		<u>£12,300</u>	