

Bailey Book Keeping Services Ltd

VAT Guide for Businesses

1. **Registration:** Depending on the value of your turnover (Sales) you are required to register for vat, the threshold changes from year to year, so it is important to check with HMRC/Accountant/Book Keeper what the threshold is, failure to register on time, may make you liable for undercharged vat ,fines and penalties. You may also apply for voluntary registration below the threshold, and other schemes but seek professional advice from your accountants or book keepers
2. **VAT reporting:** Normally you submit returns to HMRC on a quarterly basis and should be filed no later then the end of the month after the quarter end. In order for you to submit this return you must calculate your vat on sales from your sales day book and cash book and purchases from your purchase day book and cash book, petty cash, for the period, taking particular care on what you can claim, claiming vat on assets depending whether their on a HP or lease agreement, have different rules. Also analyse UK and European sales and purchases.
3. **VAT Reconciliation:** from time to time you may be required to reconcile your vat account, this is to make sure that all your returns are correct and balance with payments made.
4. **VAT Payments and Refunds:** It is important to make sure you make you VAT payments on time as this will incur heavy fines and penalties and interest.