

VAT schemes

Sipher  
Accounting & Tax

Chartered Certified Accountants and Business Advisers

# VAT

Registration limit = £85,000

When to register?

the actual turnover of the business in the previous 12 months is over £85,000

the turnover in next 30 days will be over £85,000

apply for voluntary VAT registration

VAT registered from 1st of the following month

VAT registered from 1st of the month in which the turnover increased to £85,000

Choose your VAT registration start date

## VAT invoice

Company

Address

Company Reg. No.

VAT Reg. No.

Contact Number:

Email:

**Direct Client Limited (or Agency)**

Contact Name:

Reference Number (e.g. PO No.)

Please make payment payable to

### VAT INVOICE

Invoice Number:

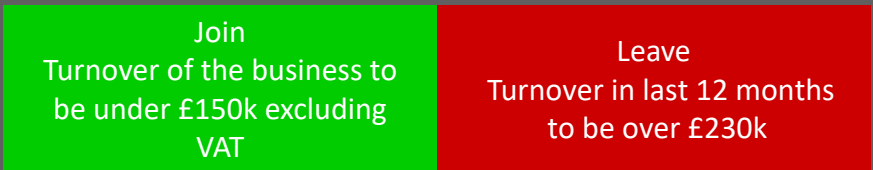
Date:

Services Provided	Hours Worked	Hourly Rate	TOTAL
		Subtotal	
		VAT @ <input type="text"/> %	
		<b>TOTAL DUE</b>	

**THANK YOU FOR YOUR BUSINESS!**

VAT schemes

Flat Rate Scheme



**CAUTION!**  
Limited Cost Traders

Limited cost trader pays VAT at 16.5% of gross turnover

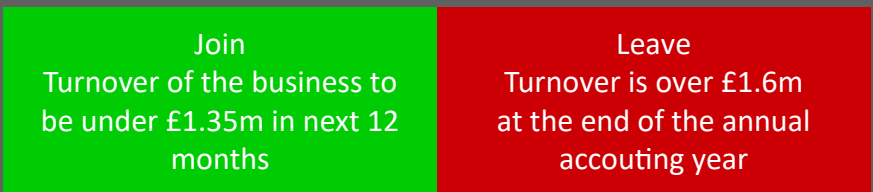
HMRC says that a limited cost trader is a business that buys only a few goods. More specifically, a limited cost trader's spend on goods, including VAT, in a quarter is:

- less than 2% of its VAT-inclusive sales for that quarter, or
- more than 2% of its VAT-inclusive sales for that quarter, but less than £250

This figure should exclude the cost of the following items:

- food and drink for the business or its staff
- capital expenditure
- vehicles, vehicle parts and fuel (unless your business uses its own vehicles in the transport business, for example if you run a taxi hire firm)

Annual Accounting Scheme



Payments

**Monthly payments**

Interval of payments  
Pay at end of month 10 to month 12

Percentage: 10% of estimated sales or previous VAT bill

**Yearly payments**

Interval of payments  
Pay quarterly at month 4, 7 and 10

Percentage: 25% of estimated sales or previous VAT bill

**Cash Accounting Scheme**

- pay VAT on your sales when your customers pay you
- reclaim VAT on your purchases when you have paid your supplier

**Join**

Turnover of the business to be under £1.35m in next 12 months

**Leave**

Turnover is over £1.6m at the end of the annual accounting year

**Margin Scheme**

VAT margin schemes tax the difference between what you paid for an item and what you sold it for, rather than the full selling price. You pay VAT at 16.67% (one-sixth) on the difference.

You can choose to use a margin scheme when you sell:

- second-hand goods
- works of art
- antiques
- collectors' items

**0207-490-5470 | [www.sipheraccounting.com](http://www.sipheraccounting.com)**

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