



# A Guide to VAT

# Registering for VAT

Your business must register for VAT if the turnover breaches £85,000 (as of 2017-18) or you can register voluntarily if it's beneficial to do so.

When you register for VAT, HMRC will send you a VAT certificate which will confirm your VAT registration date, your VAT registration number and the dates of your first VAT return.

Please send us a copy of the certificate as soon as you receive it.

Your VAT certificate can take up to 6 weeks to arrive. However, in our experience it is usually received within 2 to 3 weeks.

We usually handle VAT registration on behalf of our clients and will process the application online to speed up the application.

However, it is vital that you provide your accountant with your VAT certificate, VAT registration number and date of your first VAT return as promptly as you can to ensure you don't miss the deadline for your first VAT return quarter.



[www.theaccountancy.co.uk](http://www.theaccountancy.co.uk)



020 3355 4047



[info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk)

## While you are waiting for your VAT certificate

If your VAT registration date is before your VAT registration number is received you cannot charge VAT to your customers.

You will however still have to pay the VAT on your sales for this period. You should increase your prices to allow for this and let your customers know why.

Once you have your VAT registration number you can supply those customers with a proper VAT invoice so that they can reclaim the VAT (if applicable).

If your registration is not compulsory then it may be worth setting your registration date for 1 month after your application to avoid this scenario.



[www.theaccountancy.co.uk](http://www.theaccountancy.co.uk)



020 3355 4047



[info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk)

# Your responsibilities



registration number



returns



receipts



bookkeeping



## Registration number

You must show your VAT registration number on all of the invoices you issue to your customers. Without this they are not able to reclaim the VAT you charge to them (if they are VAT registered).



## Returns

A VAT return must be submitted every 3 months (although the first return may be for a shorter or longer period). The VAT return will show the total amount of VAT you have charged minus the total amount of VAT you have paid during the period. The difference is then payable to HMRC.



## Receipts

You must keep VAT receipts for all of your expenditure. You are not technically allowed to offset VAT you have spent if you do not have a proper VAT invoice/receipt.



## Bookkeeping

If you are completing your own bookkeeping either on spreadsheet or bookkeeping software you must start to separate out the VAT from the registration date. Software packages will allow you to do this in the settings and spreadsheets should show the net (amount before VAT), the VAT and the gross amounts (total amount).



[www.theaccountancy.co.uk](http://www.theaccountancy.co.uk)



020 3355 4047



[info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk)

## The Flat Rate Scheme (FRS)

If you have decided to register for the flat rate scheme there are slight differences:

An additional registration form (paper only) should be completed and a flat rate percentage should be decided upon. We will be able to handle this for you as part of the registration process.

You cannot offset the VAT you spend against the VAT you charge (unless it's an asset worth over £2,000), instead you will pay HMRC a set percentage of your sales (inclusive of VAT).

Please note you will charge customers 20% VAT as normal.

If you are using bookkeeping software ensure it can handle the flat rate scheme as some cannot.



## Other considerations

★ quarter end date

★ reclaiming VAT



### Quarter end date

Once you have registered for VAT, if your VAT quarter ends do not fall in line with your financial year (i.e. they overlap your year-end) then it may be beneficial to change the quarter ends to fall in line. This will reduce the amount of times we request records from you and will make preparing your accounts a little easier.



### Reclaiming VAT

If you have paid any VAT prior to your registration date then you may be able to reclaim it on your first VAT return. You can reclaim as far back as 4 years VAT for products and assets you still have in stock at the registration date and 6 months for services such as telephone bills, accountancy fees etc. Please speak to your accountant about this so he/she can make the necessary arrangements.



[www.theaccountancy.co.uk](http://www.theaccountancy.co.uk)



020 3355 4047



[info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk)

---

### Looking for more help on VAT?

If you have any further questions regarding VAT simply phone 020 3355 4047 or ask one of our accountants (for free).

ASK AN  
ACCOUNTANT



---

### Interested in more business advice?

Join our 20,000 strong business community who benefit from our monthly HMRC updates, plus links to our latest guides & articles. To join simply get your instant, no obligation quote.

GET AN  
INSTANT QUOTE



---

### Connect with us...



---

### Written by...



Kara Copple,  
Content writer and history enthusiast



[www.theaccountancy.co.uk](http://www.theaccountancy.co.uk)



020 3355 4047



[info@theaccountancy.co.uk](mailto:info@theaccountancy.co.uk)