



VJR BUSINESS
SUPPORT LTD

VAT CHEAT SHEET



DO I NEED TO REGISTER FOR VAT?

TURNOVER	DO I NEED TO REGISTER FOR VAT?
YEARLY TURNOVER LESS THAN £85K	OPTIONAL - YOU DON'T HAVE TO REGISTER BUT YOU MAY WISH TO DO SO FOR VARIOUS DIFFERENT REASONS. REMEMBER YOU CAN'T CLAIM VAT ON EXPENSES IF YOU DON'T REGISTER
YEARLY TURNOVER £85K OR MORE	YES!

HOW DO I REGISTER FOR VAT?

You can register online with HMRC. You'll need your National Insurance number or tax identifier and bank account details.

WHAT ABOUT MY PRICING?

It is entirely up to each individual business whether they absorb the cost of the VAT in their prices once they have registered or if they add it on to the pricing, but most businesses will add it on.

If you are adding VAT to your existing prices then it would be
Old price x 1.2 for 20% VAT to be added
For example. If you old Price was £100.
To calculate the new pricing.



$$£100 \times 1.2 = £120$$

(for 5% VAT you would times the old price by 1.05)



VJR BUSINESS
SUPPORT LTD

VAT CHEAT SHEET

WHAT ABOUT ISSUING INVOICES?



Once you've registered for VAT, you will need to issue your customers with VAT invoices. They will need to include information such as your VAT number, the rate of VAT and how much VAT is charged.

WHAT VAT DO I NEED TO RECORD?

You will need to record the VAT that you have collected on your sales as well as VAT paid on your purchases*

*Most business collect more VAT on sales than the VAT they pay on purchases

WHAT ABOUT VAT RETURNS?

Once registered for VAT, you'll need to submit quarterly VAT returns from your making tax digital compatible accounting software, but don't worry if this is something beyond you, our team are on hand to offer support.

You can view your VAT due dates on your online VAT account.

VAT RATES FOR GOODS AND SERVICES

STANDARD RATE - 20%

REDUCED RATE - 5%

ZERO RATE - 0%



www.vjrbusinesssupport.co.uk

This guide is for general information purposes only. Always check with your Bookkeeper or Accountant for advice.

© VJR Business Support Ltd 2022