



Value Added Tax

From		1 April 2015
Standard rate		20%
VAT Fraction		1/6
Registration	Last 12 months or next 30 days over	£82,000
Deregistration	Next 12 months under	£80,000
Cash accounting scheme	Up to	£1.35 million
Annual accounting scheme	Up to	£1.35 million
Optional flat-rate scheme	Up to	£150,000

Cash accounting scheme – allows businesses to account for input and output VAT on a paid and received basis.

Annual accounting scheme – allows businesses to smooth out cash flow by paying a set amount either monthly or quarterly. Submit one VAT return a year.

You can continue to use the cash accounting and Annual Accounting schemes until your VAT taxable turnover exceeds £1.6 million

Flat-rate scheme – allows businesses to calculate their VAT payment as a percentage of their VAT inclusive turnover.

You can continue to use the flat rate scheme until your total business income exceeds £230,000.

[For more information, contact Hugh or Ian at Hugh Davies & Co on 01722 336647.](#)