



## Value Added Tax

| From                                 |  | 1 April 2017         |
|--------------------------------------|--|----------------------|
| <b>Standard rate</b>                 |  | <b>20%</b>           |
| <b>VAT Fraction</b>                  |  | <b>1/6</b>           |
| <b>Registration</b>                  | Last 12 months or<br>next 30 days over | <b>£85,000</b>       |
| <b>Deregistration</b>                | Next 12 months<br>under                | <b>£83,000</b>       |
| <b>Cash accounting<br/>scheme</b>    | Up to                                  | <b>£1.35 million</b> |
| <b>Annual accounting<br/>scheme</b>  | Up to                                  | <b>£1.35 million</b> |
| <b>Optional flat-rate<br/>scheme</b> | Up to                                  | <b>£150,000</b>      |

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 Karen at Hugh Davies & Co on 01722 336647.](#)