



## Value Added Tax

From		1 April 2018
<b>Standard rate</b>		<b>20%</b>
<b>VAT Fraction</b>		<b>1/6</b>
<b>Registration</b>	Last 12 months or next 30 days over	<b>£85,000</b>
<b>Deregistration</b>	Next 12 months under	<b>£83,000</b>
<b>Cash accounting scheme</b>	Up to	<b>£1.35 million</b>
<b>Annual accounting scheme</b>	Up to	<b>£1.35 million</b>
<b>Optional flat-rate 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.](#)