



Butt Miller

Chartered Accountants

VAT

Do's and Don'ts

- **DO** keep a monthly record of your turnover - late registration can result in severe penalties
- **DO** notify your local VAT office when major changes take place - changes must be notified within thirty days
- **DO** retain records for the last six years - these could be demanded by law
- **DO** obtain and keep VAT invoices - these are your authority to claim back VAT on supplies made to you
- **DO** charge VAT on supplies to your staff
- **DO** charge VAT on any equipment or vehicles (except motor cars) that you sell or part-exchange
- **DO** account for VAT on fuel used for private motoring using the appropriate flat rate valuation

- **DON'T** claim the VAT paid on the purchase of a motor car - it is not recoverable except in some very special cases
- **DON'T** claim the VAT paid on goods or services used for private purposes. Where there is an element of private use (e.g. telephone) an appropriate percentage should be claimed. Special arrangements apply to private use of petrol (see above)
- **DON'T** claim the VAT paid on entertaining (except for reasonable, relevant costs of entertaining overseas customers)
- **DON'T** forget to account for VAT on inter-company charges
- **DON'T** charge VAT on the transfer of a business as a going concern (make sure contracts incorporate appropriate VAT provisions)

Contact us

Butt Miller
92 Park Street
Camberley
Surrey
GU15 3NY

biggerpicture@buttmiller.co.uk

01276 25542

www.buttmillers.co.uk

For your information.

The material featured in this article is intended as an overview of the regulations in force at the time of its publication. You should take no action based on this information, but should consult detailed legislation or seek professional advice. No responsibility can be accepted by Butt Miller or any of its representatives for any loss occasioned by any person acting or refraining from acting as a result of this information.