

VAT HEALTH CHECK

March 2019

1 Income

This looks at different sources of income and the VAT liability being applied. Where appropriate, the correct VAT liability will be confirmed, the corrected VAT liability stated, or highlight the need for further clarification to determine the correct VAT treatment. Bad debt relief and the timing of VAT declarations is also considered ie cash or invoice accounting.

2 Expenditure

This looks at the types of expenditure and costs such as business entertainment, business gifts, petty cash, employee expenses, mileage allowances and fuel scale charges (if not covered in section 5 below). Other issues such as private use restrictions are also considered.

3 Land & Property

A review of the business' heritable property register is undertaken and confirmation of any income is received from land and/or property. If applicable, confirmations of options to tax are obtained and advice provided regarding any planning that may

be required in this area, such as obtaining or revoking options to tax.

4 Partial Exemption

If applicable, a review of the business' partial exemption method is undertaken, in particular review the last 12 months calculations, together with any recommendations to improve and/or simplify the method used and to also confirm that the VAT claimed has been done so correctly.

5 Motoring Expenses

A review of the motor vehicles fixed asset register is carried out and confirmation of whether VAT is reclaimed in relation to these vehicles and if so, the appropriate scale charges and/or Advisory Fuel Rates (AFR) are being used.

6 Special Schemes

If appropriate, a review of any special schemes is undertaken, eg the Flat Rate Scheme, cash accounting, annual accounting, margin schemes, TOMS etc.

7 EU Trade

If supplies are made to EU

customers/from EU suppliers, the VAT liability of these is considered and also the compliance side of such transactions eg EC Sales Lists and Intrastat declarations.

8 Imports & Exports

If supplies are made to overseas customers/from overseas suppliers, the VAT liability of these is considered and the procedures for ensuring that import VAT is claimed where appropriate.

9 Any other matters

Any other matters that may come to light as part of the review, eg an issue that may be industry specific to that particular business.

Our Approach

A review is generally bespoke and therefore can range from a brief desktop review to a more in depth, onsite review. Upon completion, clients are provided with a summary of our findings and recommendations tailored to suit their requirements.

Contact

Maria McConnell

VAT Director

m.mcconnell@frenchduncan.co.uk

0141 221 2984