

## VAT

### The VAT1 Form: Overview

The VAT1 form is the VAT Return.

Green forms are the standard quarterly forms, and brown forms are issued when it is to be the final VAT return (either because a business has ceased trading, been sold or fallen below the VAT threshold)

The VAT1 is issued quarterly (unless on the annual accounting scheme).

The quarters can be run to coincide with the year end of a company, which makes accounting for the VAT on the annual accounts slightly easier if the accountant wishes.

To change the quarter end a "stagger" has to be applied for and a letter requesting the change sent to the relevant contact office. Details of the correct contact office can be found at

<http://www.hmrc.gov.uk/menus/contactus.shtml>

When a business first registers for VAT a Notice 700/12: Filling in your VAT return is sent to the registered address.

A VAT1 can be sent via paper or electronically. The paper copy must reach HMRC by the due date on the form, and include payment. All paper returns must be sent to

VAT Central Unit  
Alexander House  
Southend-on-Sea  
Essex  
SS99 1AA

There is generally a post paid envelope supplied.

The VAT1 is sent about 2 weeks before the end of the period due, giving a business about 6 weeks to complete the form.

A VAT account must be maintained and the entries placed in boxes 1-9 must be able to be traced and verified if an inspection is made.

There is an extra 7 days for VAT returns filed electronically, and payment must be received by the date shown on the electronic return.

Final returns cannot be filed electronically.

New returns can be requested through the National Advice Service, via option 1 over the telephone.

National Advice Service                      0845 010 9000

Late filing of a VAT may result in fines and penalties. Initially HMRC will send a demand for payment as an estimate. If there are problem with calculating the VAT due for that quarter estimated figures maybe used, but only after consultation with the local VAT office.

The demand can be paid, or, if more accurate business figures have been calculated the late return can still be filed.

When there has been no trading within the VAT quarter a NIL return can be filed. Boxes 1-9 must be completed as “none” of filing by paper, and “0.00” if filing online.

Corrections up to £10000 can be made on a subsequent return. Good records of the correction must be kept and the reasons for the correction (i.e. Bad Debt, double entries etc) must be detailed.

When errors are greater than £10000 it will require a separate procedure. [VAT Adjustments Form 652](#)

When completed the VAT1 should be sent to arrive by the due date.

The following should be checked

- All the boxes have been filled and if there are no transactions “NONE” is used
- The form has been signed by a recognised signatory.
- All corrections are made by a simple crossing out and the correct figure written in
- There are no attachments sent
- If payment is due the Cheque is not stapled or clipped to the form.
- The cheque is current and correctly dated.
- The cheque has the VAT registration number on the back.
- The form has been sent to the correct address.
- All negative figures are in brackets.
- No alterations have been made to the face of the VAT1 form, any change in details should be done through the local office.