

VAT

Completing the VAT1 Return – Simplified Overview UK supplies & purchases only

The VAT1 return consists of 9 boxes, 4 of which are concerned with foreign transactions. The following boxes are for UK sales and purchases only.

- BOX 1** Includes the VAT due on all Sales and other VAT able inputs including the Sale of business assets or capital equipment; the full value of part exchange goods, and any VAT adjustments up to £10000. Credit notes issued must be accounted for.
- BOX 3** Where UK supplies only, this will be the same as Box 1
- BOX 4** Includes the total input taxes that are to be reclaimed for the period including credit notes issued by suppliers and any VAT adjustments up to £10000. VAT can only be claimed if a proper VAT receipts has been received, and self billed receipts are not allowed. Special rules apply for partially exempt businesses
- BOX 5** This box is the calculated difference between Box 3 and 4, and if the figure is a refund it must be in brackets (negative figure)
- BOX 6** Total value of Sales (NET – excluding VAT) should be included here for the standard VAT system, but if it is the FRS, then the figure should be GROSS (including VAT); zero rated and exempt supplies should be included, along with any other business income.
- BOX7** Total value of purchases (NET Excluding VAT) unless there is a FRS when all entries should be GROSS (if you use the flat rate scheme then you only fill in box 1, 3 and 6);

Excluded transactions are non VAT items such as

- Wages, Salaries and PAYE
- Insurance claims
- Dividends
- MOTs
- Motor Vehicle licence duty
- Rates

BOX 2, 8 and 9 are completed as “None” if no EU transactions have occurred.