



MAD ABOUT BOOK-KEEPING

FLAT RATE VAT

Flat rate VAT is calculated as a fixed percentage of your sales. You don't claim back the VAT on purchases except for capital assets over £2,000. You keep the difference between what you charge your customers and what is paid to HMRC.

To join the scheme your VAT turnover must be less than £150,000 (excluding VAT) and you must leave the scheme if on the anniversary of joining, your turnover in the last 12 months was more than £230,000 (including VAT) - or you expect it to be in the next 12 months or you expect your total income in the next 30 days alone to be more than £230,000 (including VAT)

You must still issue sales invoices in the usual way showing VAT at 20% so that your customer can claim the VAT back.

You can apply online or by post to join the scheme and HMRC will write to you to confirm.

In your first year as a VAT-registered business the rate is reduced by 1% until the day before your registration anniversary.

Type of business	Current VAT flat rate (%)
Accountancy or book-keeping	14.5
Advertising	11
Agricultural services	11
Any other activity not listed elsewhere	12
Architect, civil and structural engineer or surveyor	14.5
Boarding or care of animals	12
Business services not listed elsewhere	12
Catering services including restaurants and takeaways	12.5
Computer and IT consultancy or data processing	14.5
Computer repair services	10.5
Entertainment or journalism	12.5

Estate agency or property management services	12
Farming or agriculture not listed elsewhere	6.5
Film, radio, television or video production	13
Financial services	13.5
Forestry or fishing	10.5
General building or construction services*	9.5
Hairdressing or other beauty treatment services	13
Hiring or renting goods	9.5
Hotel or accommodation	10.5
Investigation or security	12
Labour-only building or construction services*	14.5
Laundry or dry-cleaning services	12
Lawyer or legal services	14.5
Library, archive, museum or other cultural activity	9.5
Management consultancy	14
Manufacturing fabricated metal products	10.5
Manufacturing food	9
Manufacturing not listed elsewhere	9.5
Manufacturing yarn, textiles or clothing	9
Membership organisation	8
Mining or quarrying	10
Packaging	9
Photography	11
Post offices	5

Printing	8.5
Publishing	11
Pubs	6.5
Real estate activity not listed elsewhere	14
Repairing personal or household goods	10
Repairing vehicles	8.5
Retailing food, confectionery, tobacco, newspapers or children's clothing	4
Retailing pharmaceuticals, medical goods, cosmetics or toiletries	8
Retailing not listed elsewhere	7.5
Retailing vehicles or fuel	6.5
Secretarial services	13
Social work	11
Sport or recreation	8.5
Transport or storage, including couriers, freight, removals and taxis	10
Travel agency	10.5
Veterinary medicine	11
Waste or scrap dealing	10.5
Wholesaling agricultural products	8
Wholesaling food	7.5
Wholesaling not listed elsewhere	8.5