



Sage Accounting Essentials: Techniques to Optimise Your Client's VAT Responsibilities

 +44 24 7610 3333

 www.corientbs.co.uk

 The Techno Centre, Puma Way, Coventry, CV1 2TT,
United Kingdom



Introduction

A client using Sage accounting software for bookkeeping approached Corient, struggling with an unexpectedly high VAT liability. The client had been managing their bookkeeping in-house but needed a proper understanding of the software and VAT regulations. Corient identified and resolved these issues, significantly improving the client's financial management.

The Problem?

- The client maintained bookkeeping on Sage but needed a clearer understanding of the software.
- VAT liability was higher than usual.
- Improper handling of VAT claims, especially for subcontractor payments.
- Lack of proper documentation and supporting receipts for VAT claims.

Corient Solution

- Conducted a comprehensive YTD review of the client's bookkeeping.
- Identified inconsistencies in VAT claims and transactions.
- Verified subcontractor payments and requested proper invoices to support VAT claims.



**The best accountants
are the architects of
financial legacies.**

– Laura Anderson



- Corrected transactions with incorrect VAT codes and cleaned up the bookkeeping.

Challenges Faced

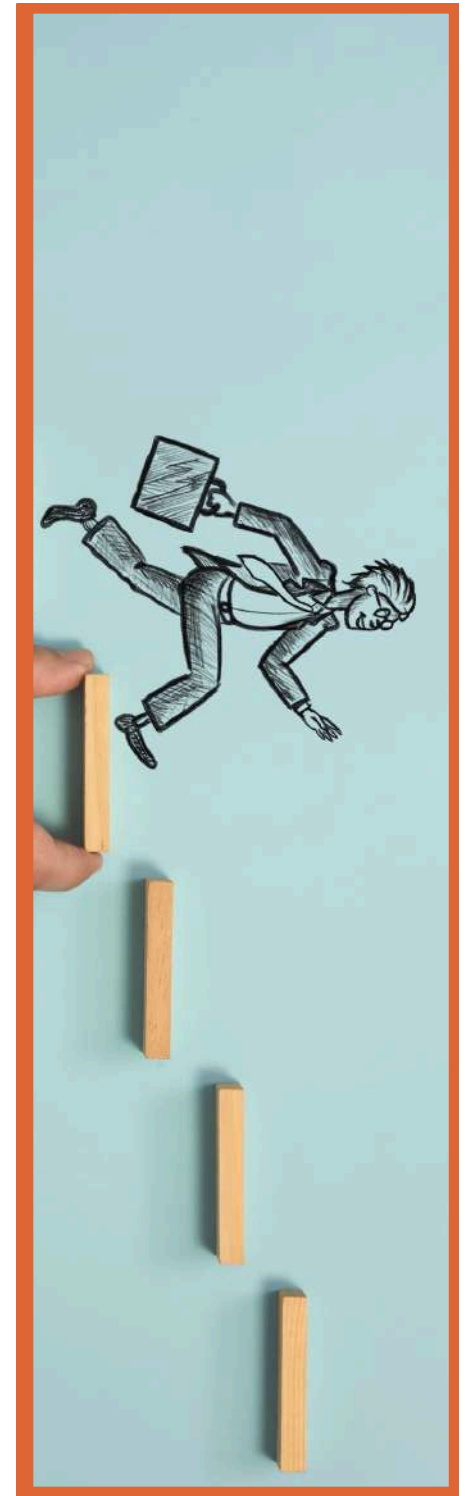
- The client needed to maintain proper records or supporting documentation for VAT claims.
- Difficulty verifying VAT claims, particularly for high subcontractor payments.

Overcoming the Challenges

- Educated the client on maintaining receipts and proper records for VAT claims.
- Explained the potential VAT claim loss if proper documentation was not maintained.
- Requested the client to gather and provide missing documentation, especially for high-value payments.

Result Achieved

- The client provided subcontractor invoices and other supporting documentation.



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**Behind every good
business is a great
accountant.**

– Anonymous
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- VAT claims were verified and corrected in the VAT return.
- VAT liability was reduced by £3,000 due to increased input VAT claims.
- Client improved their record-keeping, enhancing the overall quality of their bookkeeping.

Conclusion

By addressing the VAT discrepancies and improving the client's bookkeeping practices, Corient helped reduce the VAT liability by £3,000 and ensured that proper records were maintained for future compliance. This case demonstrates the value of expert accounting support in resolving financial issues and optimising business operations.



**The road to success and the road to failure
are almost exactly the same.**

– Colin R. Davis

