



How Accurate Bookkeeping Helped a Property Management Client Reclaim £7,893 from HMRC

Highlights

- 1 Transitioned client from standard VAT scheme to TOMS
- 2 Recovered £7,893.77 in overpaid VAT
- 3 Improved VAT compliance and record-keeping processes
- 4 Delivered financial education and long-term accounting clarity



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Introduction

When a property management company approached Corient, they were **burdened with VAT payments** they believed could be reduced—but didn't know how. They had heard about the Tour Operators' Margin Scheme (TOMS) and suspected it would suit their business model better than the standard VAT scheme. What they needed was expert guidance, a clear VAT strategy, and support to put things right.



The Initial Problem: What Went Wrong?

The client's internal bookkeeping records were misaligned with HMRC standards. Here's what we discovered:

- **Sales were recorded at gross amounts**, including third-party commissions and aggregator fees.
- There was **no clear separation of revenue streams**, which inflated their VAT liability.
- They lacked the knowledge and internal expertise to implement the TOMS scheme properly.

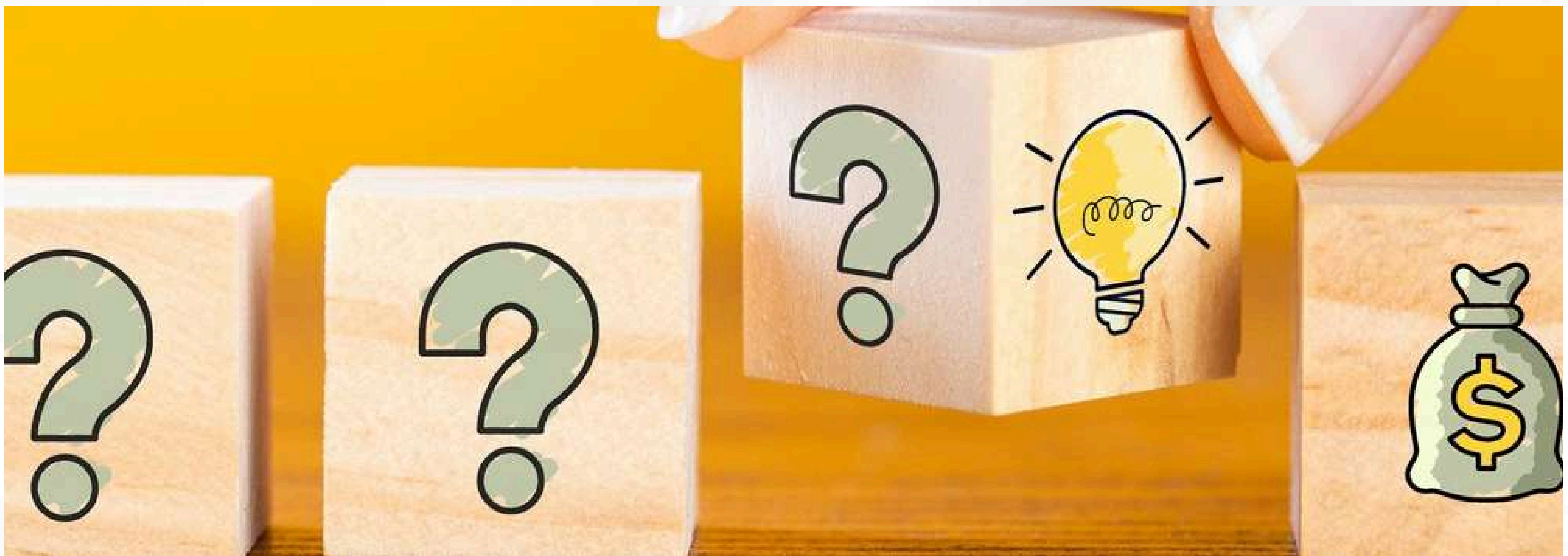
They knew they were paying more VAT than necessary, but didn't have the tools to fix it.

Corient's First Solution: The Fix

We started by performing a full review of their financial records. From there, our team:

- Identified how the **gross sales reporting** inflated VAT.
- Proposed a switch to **TOMS**, which calculates VAT based on the margin, not total sales.
- Began working on reclassifying past transactions to correct three VAT quarters.

This move would not only **align their business model** with a more appropriate VAT treatment but also potentially recover overpaid amounts.



The New Problem: A Surprise Roadblock

While implementing the solution, we ran into several unexpected hurdles:

- The client **didn't have a precise sales classification**, making it hard to extract margin-based data.
- Their team was unfamiliar with accounting principles, requiring hands-on support.
- Coordinating correct data entry became a daily challenge due to inconsistent records and limited internal accounting systems.

Corient's Second Solution: Fixing the New Problem

To overcome these challenges, we put a step-by-step strategy into motion:

Step 1: Record Verification

We reviewed every transaction and payment structure to **identify discrepancies and margin breakdowns**.

Step 2: Client Education

Through detailed Zoom sessions and calls, we explained the difference between gross and margin-based reporting and how **accurate bookkeeping services** impact compliance.

Step 3: Process Reinforcement

We provided templates, video walkthroughs, and consistent support to help their team **correctly classify sales, commissions, and aggregator fees**.

Step 4: Real-Time Coordination

Our team stayed in close contact to ensure all future records would align with TOMS standards moving forward.

OUTCOME



The Final Outcome: A Success Story

After implementing TOMS and correcting past VAT reports, the client received a **VAT refund of £7,893.77** from HMRC. They were no longer overpaying VAT and had gained complete control over their bookkeeping processes.

What the Client Said



"We honestly didn't know how much we were losing until Corient stepped in. Not only did they recover our VAT, but they also made sure we finally understood our numbers."

Key Takeaways: Why This Matters for Businesses

- **Accurate bookkeeping leads to precise tax reporting.**
- **Tailored VAT schemes like TOMS can significantly improve margins.**
- **Client education is critical for long-term success.**

Want to discover if your business is eligible for VAT recovery or a better reporting method? Learn more about how [outsourced bookkeeping services](#) can help.

A minor correction in the process can lead to significant financial wins.