

# Save Money and Time! Register for the Small Business Flat Rate Scheme

For small Businesses; Inland Revenue operates schemes whereby your VAT Calculation is very simple. You have to pay VAT on your total income including VAT. For Example, you would provide services of £100 and charge your customer VAT @17.5% of £17.5. Your total Invoice will be of £117.50. You will be required to pay VAT on the total of £117.5 at the reduced rate which can save you some VAT and Accountants fees for preparing VAT Return.

This scheme is specifically designed for the small traders which have total income including VAT of less than £187500. However, you have to remember that you cannot claim any Input VAT. So it is essential that you do your comparisons before you register for the scheme.

To conclude this scheme is very good for service industry which does not purchase goods and large amount of their expenditure is on wages..

