

VAT RATE CHANGE DUE 1st DECEMBER 2008

Following the Chancellor's announcement this week that the standard rate of VAT will change from 17.5% to 15% from 1 December 2008 until 31 December 2009, the suggested action necessary in ViXEN is as follows.

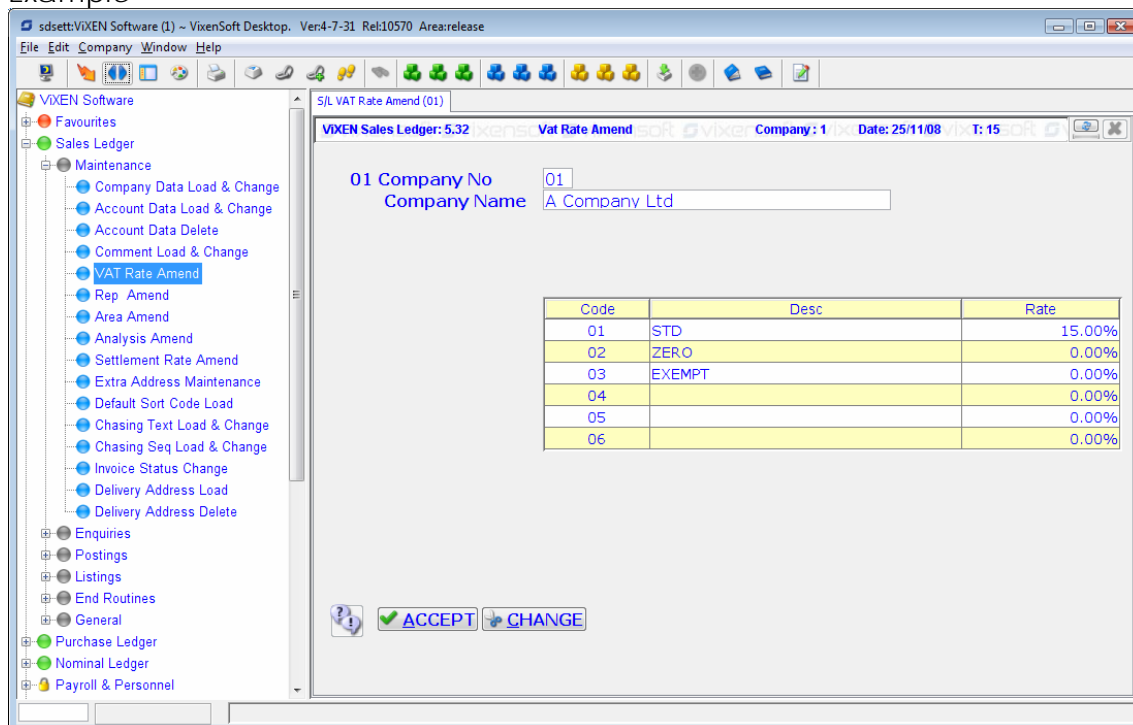
However, you should check with your accountant to ensure that this is the most suitable option for your company and to confirm timings as to when this should be changed.

SALES LEDGER

The following amendment is required:

- Sales Ledger/Maintenance/VAT Rate Amend
- The standard rate VAT code (usually code 01) will currently be set to 17.5%
- Change the percentage rate from 17.5% to 15%

Example



The screenshot shows the 'VAT Rate Amend' window in the Vixen Software application. The window title is 'S/L VAT Rate Amend (01)'. The main area displays the following information:

01 Company No
 Company Name

Code	Desc	Rate
01	STD	15.00%
02	ZERO	0.00%
03	EXEMPT	0.00%
04		0.00%
05		0.00%
06		0.00%

At the bottom of the window, there are three buttons: a help icon, an 'ACCEPT' button, and a 'CHANGE' button.

PURCHASE LEDGER

The following 2 options are available for introducing the new VAT standard rate into the Purchase Ledger:

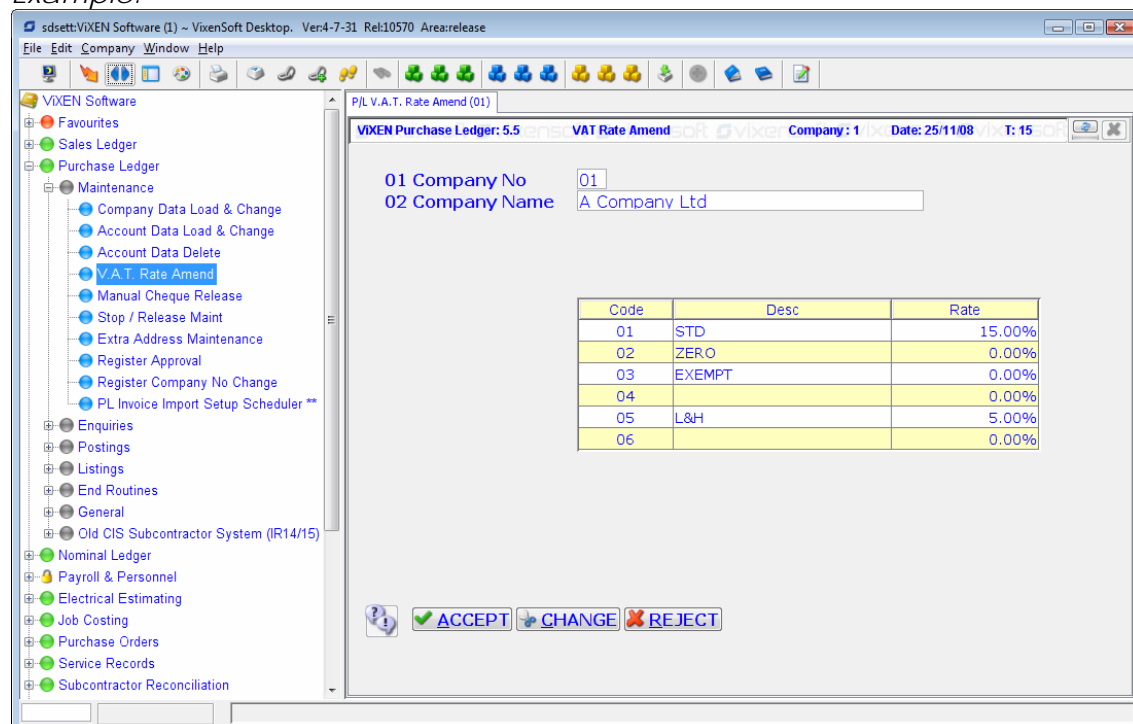
OPTION 1

Change the existing standard rate VAT code from 17.5% to 15%

The following amendment is required:

- Purchase Ledger/Maintenance/VAT Rate Amend
- The standard rate VAT code (usually code 01) will currently be set to 17.5%
- Change the standard rate VAT code from 17.5% to 15%

Example:



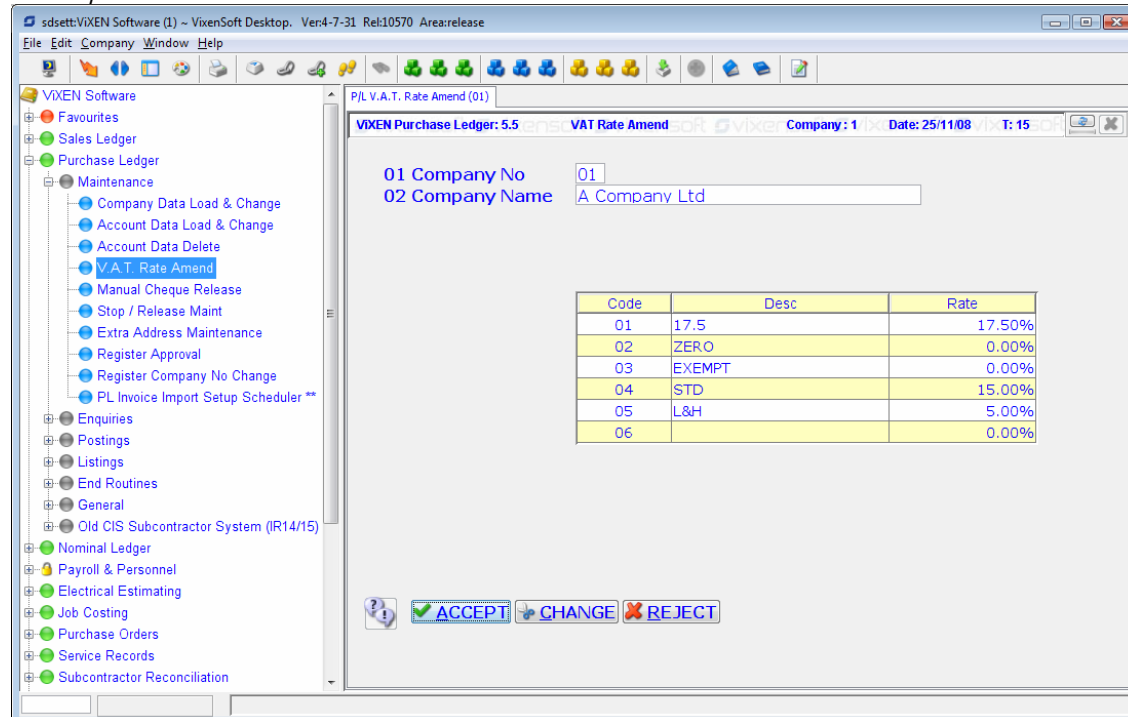
OPTION 2

Create a new 15% standard rate VAT code

The following amendment is required:

- Purchase Ledger/Maintenance/VAT Rate Amend
- The standard rate VAT code (usually code 01) will currently be set to 17.5%
- On an unused line create a new 15% standard rate VAT code

Example:



This option should be used where there is a need to post invoices and/or credit notes at the old and new VAT rates. This includes subcontractor timesheets.

NOTES ON VAT AND CLIENT RECONCILIATION

- If the system parameters allow changes to posted certificates, the VAT amount can be amended on a certificate simply by calling up the certificate in the Certificate Posting program and selecting ACCEPT
- DO NOT call up an existing certificate in Certificate Posting and select ACCEPT if you do not want to change the VAT amount on the certificate