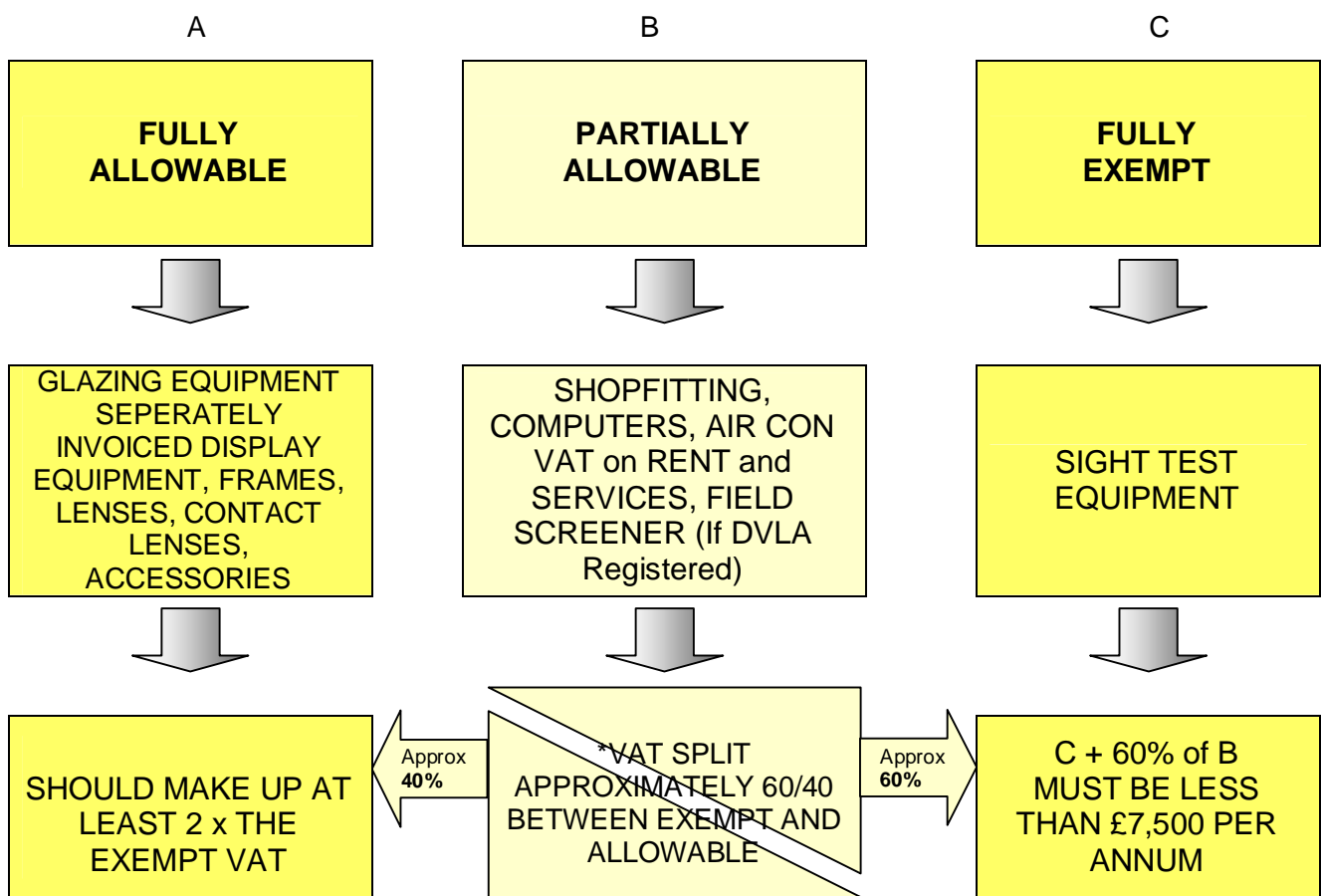




VAT & DE MINIMIS FOR OPTICAL PRACTICES

Allocation of VAT for de minimis is of prime importance for small/medium optical practices, as a miscalculation can cost a practice a minimum of £7,500.00 per annum.

VAT is assigned to 3 categories: fully allowable, partially allowable and fully exempt.



- 60/40 basis may alter marginally.
- If you go over £7,500 in any VAT year, you lose it all (not just that above the £7,500).
- Each years VAT returns are based on the previous years results so if you were over de minimis last year will be deemed over for the entirety of the following year.
- Once your VAT year is complete then a calculation is made and your true VAT is apportioned appropriately, this then forms the basis of the following years returns.

A **lease** spreads the VAT over the term, so lessening potential de minimis problems.

No other type of finance can do this. Hire Purchase/Loan/ Overdraft/Cash all allocate the VAT fully from day one.

A **lease** offers tax relief over the term of finance and with Performance you can still own the equipment at the end.