

Case studies for Making Tax Digital



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Businesses from across the country have taken the time to tell us their experiences of Making Tax Digital for VAT:

The accountancy firm - Dunkley's Chartered Accountants

The hardware shop - Sykes Retail Ltd

The accountancy firm - TaxAssist

The mobile farm administrator

The family-run farm - North Farm

The family business - Mower Magic

The rural business professional

The accountancy firm - DSG

The estate agent - Downen Estate Agents

The accountancy firm - Dunkley's Chartered Accountants

Dunkley's Chartered Accountants are one of the leading independent practices in Bristol and the South West. Amber Vierke is Dunkley's Making Tax Digital and Cloud Specialist and she shared her experience of Making Tax Digital for VAT.

Initially, Making Tax Digital was a challenge to put forward to clients. They saw it as an 'unknown' which was going to take them time to understand and get used to. However, once the benefits were portrayed to them, and we were able to provide them with support and guidance on how it works – together with how it could suit their individual businesses, the mindset changed. They saw how Making Tax Digital could positively improve their businesses and began to embrace the new ways

of working.

For us as a business, Making Tax Digital has been a great opportunity. We have been able to spend the time to talk to each of our clients individually and discuss their evolving needs in detail. We have not only been able to provide them with the advice and support they need with regards to transitioning over to complaint software, but have also been able to discuss further opportunities on how we can help support their business moving forward both from an accountancy and advisory standpoint. Making Tax Digital has been a catalyst for us to further help our clients streamline their processes and improve their business efficiencies.

The hardware shop - Sykes Retail Limited

Linzy owns Sykes Retail Limited, a hardware shop in Bristol. She took the time to tell us how Making Tax Digital has helped her business.

When Making Tax Digital was coming into effect my accountant advised me that it would make the most sense to convert to cloud software as this would enable me with the collaboration and instant back up I required to get peace of mind. During set up, I found it tricky to get started.

However, with my accountant's support things soon became clear and I was able to learn how to always keep my bookkeeping up to date. I also learnt how to do my VAT returns and submit these to HMRC which helps both my business and the production of my year end accounts.

The accountancy firm - TaxAssist Accountants

TaxAssist Accountants in Plymouth was established in 2006 and has two shopfront offices in the city centre and Peverell areas. Its small business clients come from varying sectors, including the trades, professional services, technology and healthcare. Its owner Alex Smith tells us how Making Tax Digital for VAT has helped his business.

Making Tax Digital for VAT provided us a springboard to accelerate the adoption of online accounting software across

our clients. It helped us introduce new services including daily bookkeeping and, in turn, our clients now have significantly more up to date financial information and can make better business decisions as a result.

The introduction of Making Tax Digital for VAT-based businesses was a practical starting point and not a huge leap for these businesses that were making quarterly VAT submissions already. There were some concerns in the run up to the system going live but in the end it just worked, the process was smooth and passed without a problem.

The mobile farm administrator

Jennifer Day is a mobile farm administrator working on several large and multi-enterprise estates in South Wiltshire. She is also a member of the Institute of Agricultural Secretaries and Administrators. Jennifer shared with us her experience of Making Tax Digital for VAT:

I tried out the early Making Tax Digital software in June 2018 and I was very impressed at how HMRC and my software provider collaborated to make the system work. I believe I was my software provider's second client filing my business VAT return, and I did so by the end of 2018. I particularly remember the enthusiasm of everyone involved and the collective determination to make Making Tax Digital a success.

I found setting up the system so straightforward and all of my clients were filing their monthly VAT returns through Making Tax Digital from early in 2019.

When asked I always say it is so straightforward, quick and reliable I wonder what all the fuss was about.

The family-run farm - North Farm

Victoria Snell is a Farm Secretary at her family run crop farm - North Farm in Dorset. As a busy secretary and farmers wife, Victoria took a few moments to tell us about her experience of Making Tax Digital for VAT:

I have been a Farm Secretary for over 8 years now, and being

in this privileged position I get a fascinating insight into the running of the business. North Farm grows combinable crops in a stunning part of East Dorset using the latest technology.

One of my many roles in the office is the bookkeeping and on a farm that harvests over 3,000 acres there are a huge number of inputs and outputs to keep track of. Our VAT return is performed on a monthly basis and it is made easy via the software we use.

I submitted our first Making Tax Digital return a year ago on 28 February 2019 and was pleasantly surprised at how simple it was – it was easier and quicker than a manual return. It took a few steps to get to the position where I was ready to submit but I was guided along the way with clear information from both HMRC and our software provider. Making Tax Digital is not as daunting as I believed it would be and I feel the benefits in the time it saves, as well as the clarity of the information that the software provides.

The family business - Mower Magic

Mower Magic is a family business based in Lincoln dealing in domestic and professional gardening and lawn care products. Owner John Hall tells us about his experience of Making Tax Digital for VAT:

The introduction of Making Tax Digital gave us the ideal opportunity to change the software we were using to future-proof our bookkeeping systems and processes. We were pleasantly surprised that the transition to our new Making Tax Digital-compatible software was relatively easy as it was seamlessly managed with the help of our accountant.

We found switching to Making Tax Digital also gave us the additional benefit of being able to access up-to-date financial figures, giving us a daily handle on our business' finances and performance, that wasn't there previously.

Making Tax Digital has made the submission process so simple and we find it really comforting to receive an instant acknowledgement from HMRC when we submit our VAT return.

The rural business professional

Fiona Ives is a self-employed rural business professional (farm secretary) based near Basingstoke. Fiona previously lived and worked on a dairy farm and she now shares her expertise and experience with other farming businesses. Fiona told us about her experience of Making Tax Digital for VAT:

I have helped many farms move from manual (or excel spreadsheets) to digital records and they're all getting on fantastically well with it. I think it's fair to say most people would have been reluctant to make the change to digital but I'm sure most of them would now say it's been a really positive change. I am a member of the local branch of The Institute of Agricultural Secretaries and Administrators Ltd (IAgSA) and we had a few training sessions before the MTD deadline, people were concerned how it was going to all work.

However, MTD for VAT has been nothing but straightforward. As a Farm Secretary all of my clients were already using accounts software. It just took loading the programme update, following the MTD set-up wizard, and onto the HMRC website to apply to sign up for MTD. Within a very short space of time I had a message from HMRC to say I had the go ahead. So back into the accounts software, and I set it up ready for MTD. Then at the end of the first MTD VAT return (having done my usual checks through the figures) I pressed the button and off went the VAT return.

It went through very smoothly indeed - no finding my login details, no waiting for the text message with the code, no entering the figures and checking and double-checking they were correctly entered, and no finding my login details again to go back in for confirmation! Straightaway I had confirmation it had gone through and a receipt back from HMRC.

What had I been worried about? It was so straightforward, quick and reassuring! I have also set up an arable farm on the software who had until then been doing their accounts manually - the whole process could not have been easier. From manual to computerised accounts might seem like a bit

of a leap, but I hope other farms have found it as positive an experience as my clients have. It's obviously been essential for MTD VAT, but having computerised accounts brings so many other benefits to the business - for the farmer, their accountant and their book-keeper!

The accountancy firm - DSG

DSG is an independent accountancy and advisory firm in the North West with an HQ in Liverpool and two offices in Liverpool City and North Wales. Andrew Moss is a partner in the Corporate department of DSG and he has been with the company since 2003. Andrew shared with us his, and his clients experience of Making Tax Digital for VAT:

Making Tax Digital, while it might not have felt like it, has given us a great opportunity to talk to clients about their systems and help them, where need be, to transition to an environment where they are getting, or have the ability to get, more timely information about their business. This process continues for the clients where our bridging software has been employed. Some of the owner-managed businesses with turnovers of up to £5m and still employing excel-based bookkeeping systems now have timely management information and the ability to access their financial data from their phone or tablet. We have seen that these are the businesses that have the ability to make informed decisions that ultimately improve their businesses.

MTD has provided an opportunity for our clients to address other systems within their business, whether it be around stock management, credit control, staff expenses or project management. The new cloud 'eco-system' has a multitude of bolt-on apps which are able to interact directly with the cloud-based accounting systems, enabling business owners to operate in a more efficient and effective way as well as having a better oversight of the business performance. Some clients have struggled, but we have been able to support them with an outsourced service enabling them to not only meet their reporting obligations, but also to have the business insight on a regular basis.

While initially MTD was seen as another burden on business, the wider digital benefits have to be seen as a positive as business owners can embrace new applications and improve their business processes to be more robust and efficient than in a pre-MTD world. And, of course, we are happy to help them along the way.

The estate agent - Downen Estate Agents

Downen Estate Agents is a business based in the North East of England. It has 8 branches covering the mid North East from the coast to the A1 corridor. It was founded in 1982 by Managing Director Denis Downen. Denis shares his experience of Making Tax Digital for VAT:

When I first learned that Making Tax Digital was becoming mandatory for businesses above the VAT threshold, I admit I was sceptical. As a business dealing in property sales, purchases, auctions and property management there are a great deal of transactions to track from a VAT perspective, and I certainly did not want the process to become overly complicated.

However, I learned more about MTD for VAT on [GOV.UK](https://gov.uk) and I spoke to my accountant. I soon realised that as we already kept many financial records digitally, signing up to MTD and submitting via MTD for VAT was the next natural step for us. I found the process relatively straightforward and it did not take long to become business as usual across the business.

MTD also acted as a catalyst for the expansion of our digital record keeping. Having been in business almost 40 years, we did have considerable paper-based records. However, we moved more and more of these to a digital basis and saw many immediate benefits - not just the instant accessibility of records across our branches, but also the time it freed up for colleagues as they accessed records easily and immediately. At the end of the day, anything that frees up resource so our staff can focus all their time on providing a 5-star service to our customers is very welcome.

Read guidance on:

Making Tax Digital for VAT

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