

In his Pre-Budget Report on 24 November 2008 the Chancellor announced that the standard rate of VAT will be reduced to 15% on 1 December 2008, and is set to revert back to 17.5% on the 1st January 2010.

This means that for any sales of standard-rated goods or services that take place on or after 1 January 2010 providers should charge VAT at the new rate of 15%.

Only standard-rated sales are affected. There are no changes to sales that are zero-rated or reduced-rated for VAT. Similarly, there are no changes to the VAT exemptions.

The 15% rate will remain until 31st December 2009, and from 1 January 2010 it will revert to 17.5%.

The Government proposes to introduce anti-forestalling legislation in Finance Bill 2009 to ensure that businesses are not able to use artificial arrangements to reduce the VAT rate on goods or services to be provided after the rate reverts to 17.5% where there is no current economic activity.

For more information please visit www.hmrc.gov.uk

VAT Rate Changes in PRIZM.

The following information details the necessary changes that should be made on Thursday 31st December 2009 within PRIZM to allow for the change in VAT rate percentage.

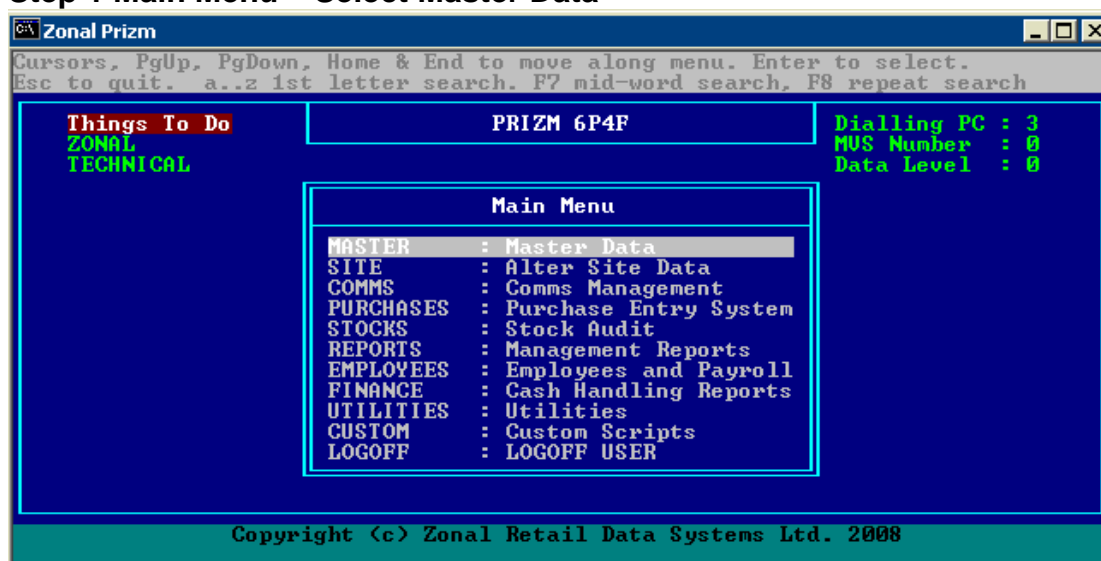
Head Office:

The VAT rate should be changed on Thursday 31st December prior the commencement of the over night communications process.

Site Masters:

The VAT rate should be changed on Thursday 31st December at the end of trading.

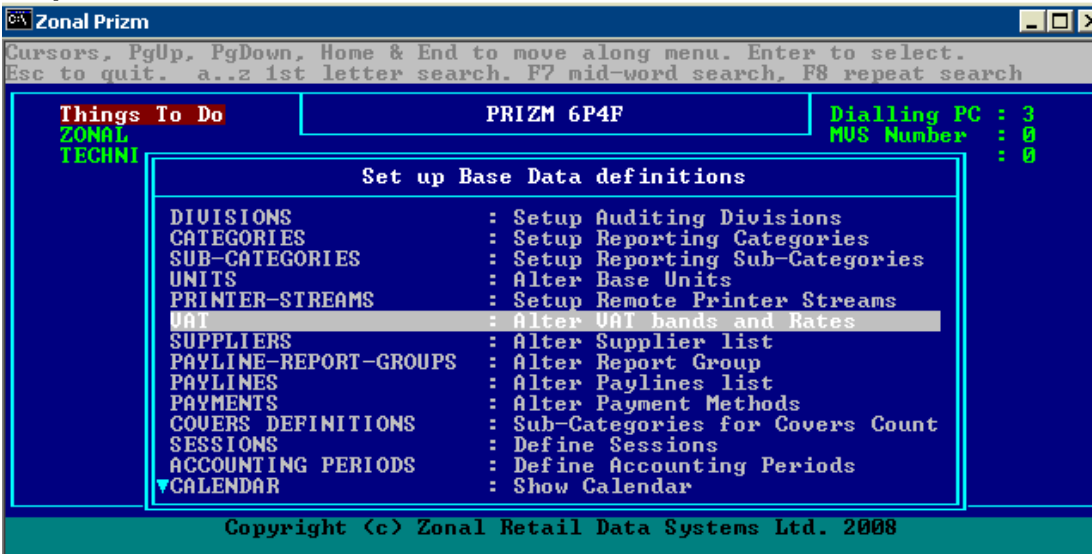
Step 1 Main Menu – Select Master Data



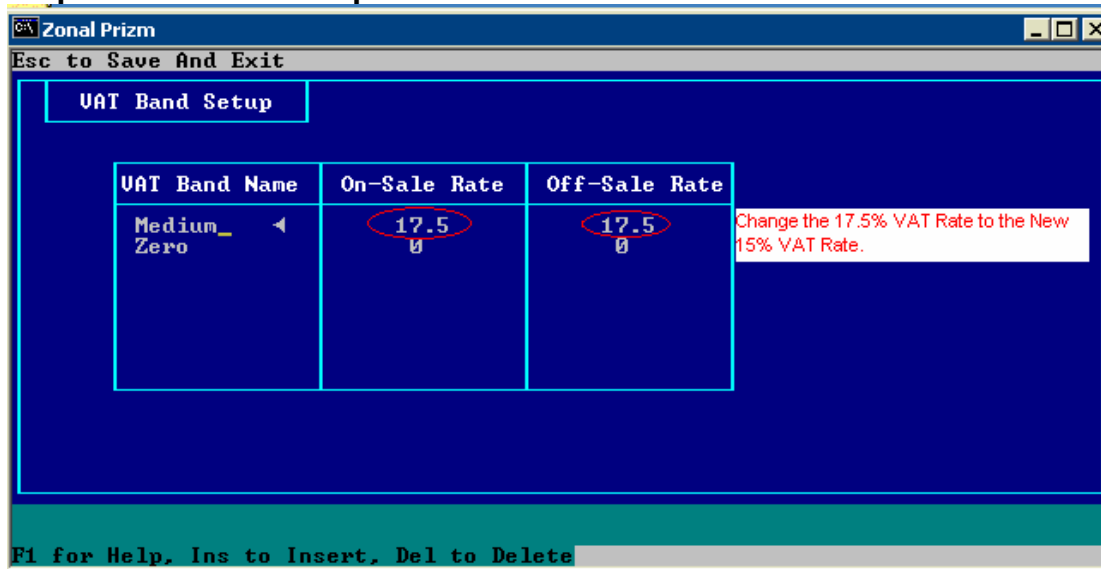
Step 2 Master Data – Select Base



Step 3 Base Definitions – Select VAT



Step 4 VAT Band Set up



Change the VAT Rates used as Standard VAT in Vatable Products from 15% to 17.5%.

Following this and prior to Trade on Friday Morning you will need to perform a comms job to the POS on site, to do this:

On Site:

Main Menu | Comms | Add – Select Base Data

Press Esc and return to Comms | Comms | Immediate and select all jobs to send to the tills.