



Change of VAT Rate to take effect from 4th January 2011

Pegasus Operations II

From 4th January 2011, the UK standard rate of VAT will increase from 17.5% to 20%. This factsheet explains how this change affects Pegasus Operations II and what you need to do.

For Operations II version 3.11.00 or higher customers linked to Opera 3 or Opera II:

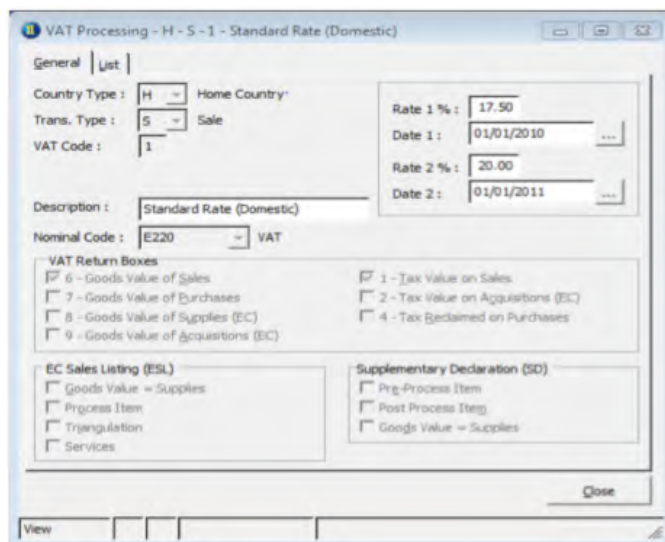
- You should update your VAT codes in each company in Opera 3 or Opera II and the changes will automatically be brought through to your Operations II company(s). Please see the Opera 3 or Opera II Factsheet for details on how and when to do this. To check the rate has come through log in to Operations II then choose System > Maintenance > VAT processing.
- If the current version of Operations II is version 3.11.00 or later any un-invoiced Orders or Deliveries created prior to 04/01/2011 will be invoiced at the correct rate of VAT. The "14 day rule" will also apply and the correct rate will be used.

For standalone version 3.11.00 or higher Operations II users:

- You should update your VAT codes in System > Maintenance > VAT processing for each Company in Operations II.
- In order to do this, please follow these instructions:
- Find your first VAT rate that needs changing from the list, select it and navigate to the general tab.
- Place your cursor in the rate 2 % field and delete the entry – do the same for the date 2 field.

- Place your cursor in the rate 1% field and change the entry to 17.50 and in the date 1 field change this to 01/12/2010.
- Click into the rate 2 % and put in the new rate of 20.00 and the date 2 field to be 04/01/2011 and save changes.

As shown in the screen shot below



- Repeat this process for any other VAT codes that need the change.
- The system will automatically apply the new rate for a new invoice/credit note when the INVOICE /TAX DATE on a transaction is set as 04/01/2011 onwards.
- If the current version of Operations II is version 3.11.00 or later any un-invoiced Orders or Deliveries created prior to 04/01/2011 will be invoiced at the correct rate of VAT. The "14 day rule" will also apply and the correct rate will be used.

Visit www.tsg.com/vatchange2011 for more details

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For Operations II version below 3.11.00

There is an issue with rate 2 on your VAT codes in earlier versions of Operations II so we would recommend that all Deliveries are invoiced before the 4th of January 2011.

The "14 day rule" will not apply automatically so we would recommend creating a new VAT code 2 for 17.5% and changing VAT Code 1 to 20% on the 4th January 2011. Therefore leaving the Rate 2 % and Date 2 boxes blank for each one.

Existing orders will have the old VAT rate of 17.5%. Please be careful when progressing to the delivery/invoice stage. **We strongly recommend outstanding orders are checked and the VAT code re-entered in order to get the correct rate before progressing them.**

If your system has any bespoke work on it then we suggest you do some testing to ensure any changes are successful.

For further detailed information and HMRC guidance about the change, please visit the HMRC Website.



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