

Case Study *Lite*

# VATflow Success Story – High value consultancy project with a different approach

Liaison Financial has successfully partnered with an East of England Trust to deliver VATflow Consultancy Services



## The Challenge

The Trust had a number of high value managed service contracts with many different suppliers, some of which had been in place for a number of years. As part of our review, we highlighted some risks around how these were being treated and it came apparent that a number of these contracts hadn't been reviewed. Since COS guidance is frequently being updated, we advised the Trust that it would be best practise to review the contracts to ensure they were being treated correctly and to ensure the Trust remained VAT compliant.

## The Solution

Initially the Trust selected a number of contracts of varying size and nature and we undertook a risk assessment highlighting risk status and values involved. From this the Trust were concerned there were some high and medium risk contracts and requested that we review 8 of these contracts and provide a detailed report based on the risk rating results. We carried out a review of these and summarised the results in an easy-to-read report. It included a summary of each contract and whether the managed service contract was eligible for VAT recovery under the most recent VAT guidance. It included a revised risk rating, the retrospective and prospective VAT value and advice on how the Trust could proceed. From the review, we highlighted one particular service which the Trust did not believe could be recovered. We submitted a non-statutory clearance request to HMRC, on behalf of the Trust, which resulted in the retrospective and ongoing recovery of over £3million.

## Results



Written VAT assurance which could be provided as evidence if ever inspected by HMRC.



Guidance as to how to deal with non-compliant contracts.



Over £3m of additional VAT savings.



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Changing the global  
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