

## New Release of Capital Gold Accounts (3.61)

We are pleased to announce the release of Capital Gold Version 3.61 which supports the forthcoming Cross Border VAT Changes coming into force in January 2010.

Please be advised that with Capital Gold Version 3.61:

- all users of EC VAT will need to upgrade to this release, as the XML file structure created by the EC Sales List will change from 1 January 2010
- the software is now supported on Windows 7 – Home Premium, Professional and Ultimate editions
- the software is also supported on Windows Server 2008 and Windows Server 2008 R2- Standard and Enterprise editions

### What are the Cross Border VAT Changes?

As of 1 January 2010 it will be a legislative requirement for a UK VAT registered business to declare any intra-EC services that they supply to a VAT registered customer in the EC on the EC Sales List (ESL – VAT 101 form). The EU Legislation changes affect the following businesses:

- UK businesses that supply services to EU member countries are now required to submit details of the service on the EC Sales List
- UK businesses that receive services from EU member countries will need to account for the service and update their VAT Return using the rules of the new legislation (Cross Border VAT Changes 2010)
- UK businesses required to submit ESL (EC Sales Lists) must decide whether they need to commit returns for Services on a monthly or quarterly basis

For more information on the Cross Border Changes visit the HMRC website - <http://www.hmrc.gov.uk/VAT/ec-sales-lists.pdf>, the Partner site or the release guide.

**NOTE: You can find full details of this release on the disk, D:\RelGuide.pdf.**

**To upgrade please follow the Upgrade Instructions on Page 15 of the Installations Guide which is also included on the disk, D:\InsGuide.pdf**

**As mentioned on the recently released Capital Gold Help Sheet**, the UK Government announced earlier this year that the rate of Standard VAT in the UK will increase back to 17.5% (after it was temporarily reduced to 15.0% on 1st December 2008) on 1 January 2010.

However, there could be exceptions. If the goods are provided before the increase in VAT e.g. 22/12/2009 and then billed after the VAT increase e.g. 02/01/2010, the user can opt to apply a 15.0% VAT charge to the Invoice.

This is valid as the issue of stock was made whilst the VAT Rate was 15.0% and the Invoice was raised within 14 days of supply. This option is entirely customer preference and can be implemented either way.

For further details please see <http://www.hmrc.gov.uk/vat/forms-rates/rates/raterise-guidance.pdf>



## How to change the VAT Settings – VAT Code Amendment Utility 2010

This utility replaces a 15% VAT code on customer, supplier and product records with a selected 17.5% VAT code. If product records use VAT Inclusive prices, they are recalculated using the new 17.5% VAT rate.

If there are any outstanding order lines, these are updated with the new 17.5% VAT code and the orders are recalculated. If a line on an order has been partly delivered or invoiced, the line is split into two lines with the new line using the 17.5% VAT code. The old line retains the original 15% VAT code.

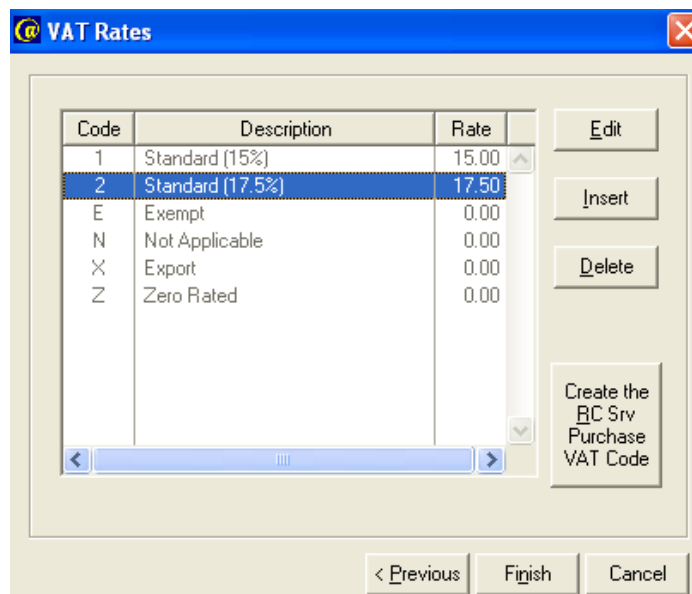
The utility does not change part-delivered orders that include a delivery charge so these need to be changed manually if necessary.

It must be run for each individual company one at a time from the computer where Capital Gold Accounts is installed. The utility creates a log file for each company in the Capital Gold data folder. You cannot run the utility before 1 January 2010.

If orders need to be invoiced at 15%, this should be done before running the utility. The 14-day rule for VAT invoices may apply. This is explained on the HMRC site.

### Before Running the Utility

1. From Parameters, VAT Rates within Capital Gold, Create a new VAT code with a rate of 17.5% if one is not already created. The buttons and other options will be disabled if a VAT code is not available.

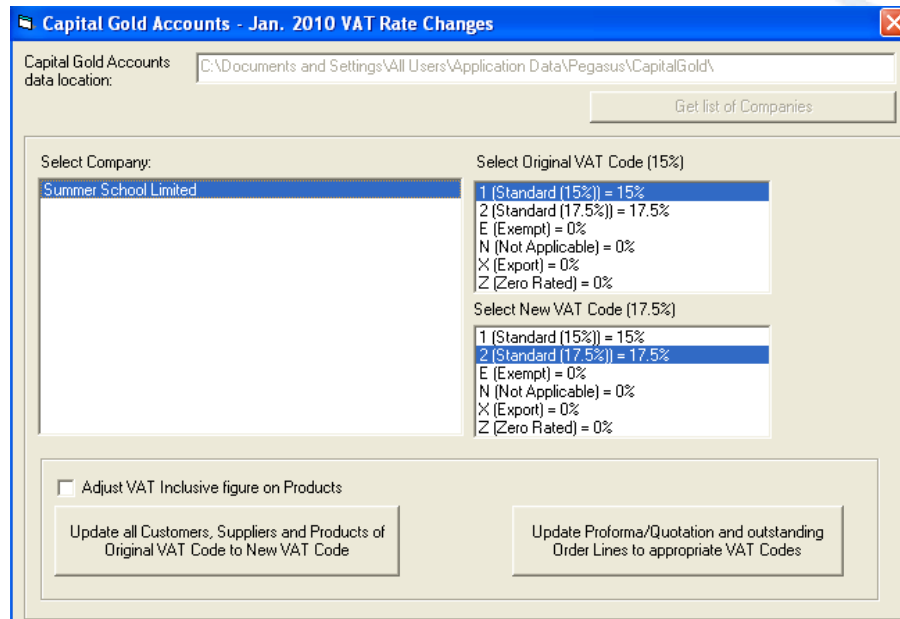


2. Make sure everyone logs out of Capital Gold.
3. Take a backup of the data files.
4. Go to [www.hbpsystems.co.uk/vatchanges](http://www.hbpsystems.co.uk/vatchanges) and choose the link to download the Capital Gold VAT Utility
5. Unzip the *VatRateCap.zip* file.



### Running the Utility

6. Run the *VatRateCap.exe* program. The data location box automatically displays the location of the Capital Gold Accounts data.



7. Click the Get list of Companies button to choose the companies you want to work with.

8. Select the existing VAT code from the Select Original VAT Code (15%) list.

9. Select the new VAT code from the Select New VAT Code (17.5%) list.

10. Tick the Adjust VAT Inclusive figure on Products box if you want to change the VAT inclusive selling price on product items.

11. Click the Update all Customers, Suppliers, and Products of Original VAT Code to New VAT Code box to replace the 15% VAT code in these areas with the new 17.5% VAT code.

12. Click Update Proforma/Quotation and outstanding Order Lines to appropriate VAT codes to replace the 15% VAT code with the 17.5% VAT code on sales order lines that have not been delivered or invoiced.

### After Running the Utility

13. Check the audit log for each company in the *C:\Documents and Settings\All Users\Application Data\Pegasus\CapitalGold* folder. If the audit file already exists in the folder, the new details are appended to the end of the file.

14. Check that the changes to the Customers, Suppliers, Products, and the sales order lines are correct.

**Please ensure you read these through before applying the upgrade and contact us on 01724 400302 or [support@hbpsystems.com](mailto:support@hbpsystems.com) if you have any queries.**

