VAT Policy

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1.0	Pete Richardson (Financial Controller)	19 December 2025
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VAT Policy

1. Introduction

This policy provides a framework to enable BrisDoc's Finance team to apply appropriate VAT treatment to all invoiced costs and income. Correct VAT treatment supports BrisDoc's compliance with applicable tax laws and upholds a positive relationship with HMRC, ultimately reducing the risk of penalties.

2. Definition and Scope

BrisDoc Healthcare Services Limited ('BrisDoc') is a VAT-registered company, mostly providing VAT-exempt services to the NHS, but also providing a Standard-rated 111 contact centre via a sub-contractor PPG. This means BrisDoc is eligible to reclaim some input VAT (on purchase invoices) under HMRC's partial exemption rules.

Summary of partial exemption rules (see full guidance here)

BrisDoc must apply 3 different VAT treatments on purchase invoices:

1) Full recovery of input VAT on purchases directly attributable to taxable supplies (ie PPG invoices)

2) No recovery of input VAT on purchases directly attributable to exempt supplies (and on other blocked expenditure such as business entertainment)

3) Partial recovery of input VAT on purchases for all indirect goods and services (ie overheads)

The proportion of input VAT BrisDoc can recover under the Standard Method is equivalent to the proportion of taxable sales made. This is initially calculated based on the previous financial year (rounded up to the nearest whole number) and then trued up as an annual adjustment after year-end.

Example: For 2025/26, Brisdoc can recover 20% of input VAT on overheads, based on the following calculation:

- Taxable Sales (Intacct GL 4001 + 4003): £5,852,181

- Total Sales (Signed accounts): £29,434,305

- Taxable Sales / Total Sales = 19.8% = 20% (rounded up to whole number)

Input VAT that cannot be recovered must be expensed to the P&L as it is incurred.

Categorisation of invoiced costs

1) Fully recoverable input VAT

   The only purchase invoices with fully recoverable input VAT are those paid to PPG for operating the 111 contact centre.

2) No recovery of input VAT

   BrisDoc cannot recover any input VAT for invoiced costs coded as Cost of Sales, nor any Operating Expenses wholly attributable to services provided to the Severnside IUC

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or Practices as these are exempt supplies (e.g. licences for dedicated software to operate services in IUC or Practices, and utilities for those premises).

BrisDoc must also follow special blocking rules on certain types of expenditure such as 'business entertainment'. Further guidance can be found [here](#).

3) Partial recovery of input VAT

All other invoiced operating costs are eligible for partial recovery of input VAT as they relate to costs that support both taxable sales and exempt sales. This includes equipment and services that are shared across all areas such as shared equipment, shared IT software and infrastructure, office supplies, office utilities.

If there's any uncertainty about the appropriate categorisation of invoices for VAT treatment this should be raised to the Financial Controller without delay.

3. Roles and Responsibilities

Transactional Accountant

- Following this policy and process to apply appropriate VAT treatment to each invoiced cost.
- Seek advice from other qualified accountants in the team where unsure of the appropriate VAT treatment.
- Preparing the VAT return each quarter ahead of the filing deadline.

Management Accountant

- Review the VAT treatment for any purchases meeting the threshold requiring their posting approval.
- Reviewing the VAT return ahead of the filing deadline to identify and correct any incorrect VAT treatments.

Financial Controller

- Approve submission of the quarterly VAT return.
- Obtain expert advice on material uncertainties.
- Ensure the Finance System is correctly configured to apply the correct VAT treatment.

4. Process in Sage Intacct

BrisDoc's profile in Sage Intacct has been configured to handle these VAT treatments.

When processing a purchase invoice, the user must first ensure they are working at the level of BrisDoc Healthcare Services Limited rather than Top Level.

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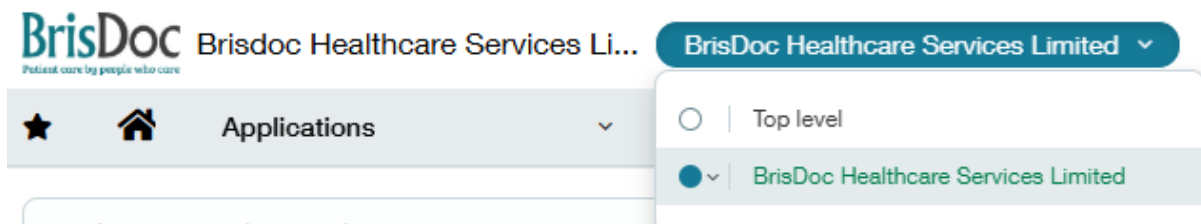
Failure to do this will mean the user won't see the option to apply partial exemptions.

AP Invoices for full recovery of input VAT

For each line item, enter the **net** value from the invoice and ensure the VAT rate matches the invoice by selecting the appropriate Tax Detail, typically UK Purchase Goods/Services Standard/Reduced Rate. Then **untick** the 'Partly exempt' checkbox (as this has been configured to be ticked by default).

Entries Show defaults

		Account *	Amount *	Department	Location	Multiple taxes on line	Tax detail	Rate	Partly exempt	Transaction tax
≡	1	8210--Software & Serv	100.00	D100--Severnside - Go	E001--BrisDoc Healthc	☐	UK Purchase Goods S	20.00	☐	20.00

AP invoices for no recovery of input VAT

For each line item, enter the **net** value from the invoice and select the appropriate Tax Detail out of:

- UK Purchases Irrecoverable (standard rate)

- UK Purchases Irrecoverable (reduced rate)

Leave the 'Partly exempt' checkbox ticked as these Tax Details have been configured to recover 0% of the input VAT. (NB The Transaction tax will not change as this is designed to match the invoice).

Entries Show defaults

		Account *	Amount *	Department	Location	Multiple taxes on line	Tax detail	Rate	Partly exempt	Transaction tax
≡	1	8210--Software & Serv	100.00	D100--Severnside - Go	E001--BrisDoc Healthc	☐	UK Purchases Irrecove	20.00	☑	20.00

AP invoices for partial recovery of input VAT

For each line item, enter the net value from the invoice and ensure the VAT rate matches the invoice by selecting the appropriate Tax Detail, typically UK Purchase Goods/Services Standard/Reduced Rate. Then leave the 'Partly exempt' checkbox ticked (as per default) to recover 20% of the input VAT.

Check the accounting treatment

To confirm the VAT has been accounted for correctly on a posted invoice, navigate to the Posting details tab for that invoice.

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≡ AP purchase invoice PE Test 456   (Print) (Edit) (Duplicate) (Done) (P

Transaction   **Posting details**   History

General Ledger journals posted

Book ID	Journal	Journal no.	Date	Line no.	Account no.	Account name	Location	Base currency	Debit base amount	Credit base amount
Accrual	APJ	247	19/12/2025	1	8210	Software & Services	BrisDoc Healthcare Services Limited	GBP	100.00	--
Accrual	APJ	247	19/12/2025	1	8210	Software & Services	BrisDoc Healthcare Services Limited	GBP	20.00	--
Accrual	APJ	247	19/12/2025	2	2000	Creditors Control Account	BrisDoc Healthcare Services Limited	GBP	--	20.00
Accrual	APJ	247	19/12/2025	2	2000	Creditors Control Account	BrisDoc Healthcare Services Limited	GBP	--	0.00
Accrual	APJ	247	19/12/2025	2	2000	Creditors Control Account	BrisDoc Healthcare Services Limited	GBP	--	100.00
Accrual	APJ	247	19/12/2025	3	2301	Purchase Tax Control Account	BrisDoc Healthcare Services Limited	GBP	0.00	--
Total									120.00	120.00

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5. Change Register

Date	Reviewed and amended by	Revision details	Issue number
05/02/2026	LS	Document published	1.0