



TAX SYSTEMS



# MTD Compliance Portal AlphaVAT Preview and Analysis Guide

Version 4.3



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# 1. Introduction

## About this Guide

This document guides you through how to use the MTD Compliance Portal to review your VAT Return calculation and apply manual adjustments, including:

- How to preview your VAT Return calculation
- How to add, edit and delete a manual adjustment
- How to access the AlphaVAT Reports
- How to complete your AlphaVAT calculation

## Technical Support

We provide a technical support help desk for users requiring assistance. The help desk can be contacted by telephone between the hours of 9.00 am and 5.30 pm, Monday to Friday excluding public holidays.

If you require help or further information, please contact the support team on:		
UK:	Tel: +44(0) 1784 777 666	Email: <a href="mailto:support@taxsystems.com">support@taxsystems.com</a>
Ireland:	Tel: +353 (0) 1661 9976	Email: <a href="mailto:support@taxsystems.ie">support@taxsystems.ie</a>

## 2. Preview your VAT Return calculation

Once you have run your VAT calculation you will be taken to the VAT Return summary screen where you will be able to add manual adjustments, analyse the results of your VAT calculation by viewing the calculation reports and you will have the option to confirm your VAT Return by selecting the Read to Submit option.

VAT RETURN SUMMARY		
Your VAT Return has been calculated, please check the figures generated in the preview below.		
<b>VAT Return summary</b>		
<b>Manual adjustments</b>		
▶ Output VAT		
▶ EU acquisitions		
▶ Input VAT		
▶ EU supplies		
<b>1</b>	VAT due in this period on sales and other outputs:	£ 168,352.31
<b>2</b>	VAT due in this period on acquisitions from other EC Member States:	£ 0.00
<b>3</b>	Total VAT due (the sum of boxes 1 and 2):	£ 168,352.31
<b>4</b>	VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC):	£ 22,502.14
<b>5</b>	<b>Net VAT to pay to HMRC:</b>	<b>£ 145,850.17</b>
<b>6</b>	Total value of sales and all other outputs excluding any VAT:	£ 3,214,426.00
<b>7</b>	Total value of purchases and all other inputs excluding any VAT:	£ 151,653.00
<b>8</b>	Total value of all supplies of goods and related costs, excluding any VAT, to other EC Member States:	£ 0.00
<b>9</b>	Total value of all acquisitions of goods and related costs, excluding any VAT, from other EC Member States:	£ 0.00

## 3. Manual adjustments

### MTD compliance

Whilst the VAT Return is primarily driven from transaction data, for a variety of reasons it may be necessary to make manual adjustments to the boxes in order to prepare a correct return according to the VAT rules. In the context of Making Tax Digital, HMRC recognise that such adjustments are a fundamental part of the return process.

[VAT Notice 700/22](#) paragraph 4.4 sets out the overall approach to adjustments under MTD. This paragraph states that where adjustments are allowed or required, these must be recorded in functional compatible software.

The amount of the adjustment only is required, and not details of any underlying calculations. The digital record does not have to be changed as the result of making an adjustment.

The notice at various points lists the following as examples of where a manual adjustment would be allowed or required:

- capital goods scheme
- mixed supplies
- flat rate scheme
- margin schemes
- partial exemption
- road fuel scale charges
- correcting mistakes.

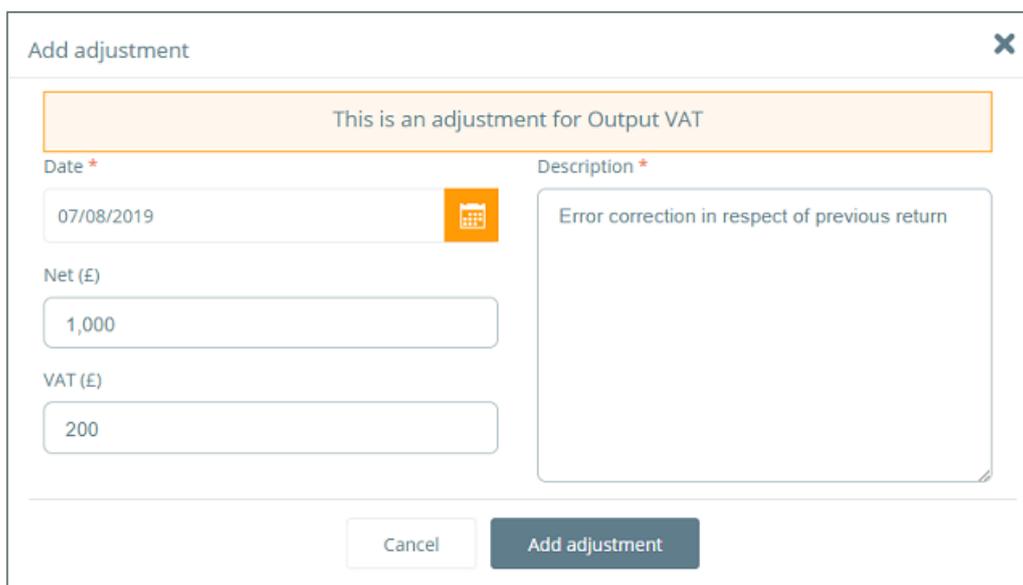
## Adding a manual adjustment

Manual adjustments are created from the **Preview and analysis** tab. Referring to the list displayed on the left-hand side of the screen, select the category that corresponds to the box that is to be adjusted:

- Output VAT: Adjusts box 1 and/or box 6
- EU acquisitions: Adjusts box 2 and/or box 9
- Input VAT: Adjusts box 4 and/or box 7
- EU supplies: Adjusts box 8

You will be taken to the relevant adjustments summary where you can select **Add adjustments** to create a new adjustment.

The resulting **Add adjustment** dialog will prompt you to enter the net and/or VAT amount of the adjustment along with a description of why the adjustment is being made:



The screenshot shows a dialog box titled "Add adjustment" with a close button (X) in the top right corner. Below the title bar is a message box: "This is an adjustment for Output VAT". The form contains the following fields:

- Date \***: 07/08/2019 (with a calendar icon)
- Description \***: Error correction in respect of previous return
- Net (€)**: 1,000
- VAT (€)**: 200

At the bottom of the dialog are two buttons: "Cancel" and "Add adjustment".

Select **Add adjustment** to create the adjustment. Upon selecting Back to preview, the VAT Return will be recalculated including the manual adjustments created.

Details of the amounts of the adjustments will be included on the **Output VAT** or **Input VAT** summary report statements.

From the manual adjustments summary screen, use the relevant icons to either **edit** or **delete** an existing adjustment.



Once you have added any manual adjustments that you require and you are happy that your VAT Return calculation summary is correct, click on **Next**.

## 4. Viewing the VAT Reports

AlphaVAT includes bespoke reporting for each entity and VAT group for the purpose of explaining the calculations performed.

These reports provide clear, concise and relevant information on the return being prepared which allow users to track a transaction from source through to the nine boxes on the final return.

You can access these reports by clicking on any orange number on the Preview and analysis tab. This will take you to either the Output VAT or Input VAT summary report (depending on the number selected).

VAT RETURN SUMMARY			
 VAT Return summary		Your VAT Return has been calculated, please check the figures generated in the preview below.	
 Manual adjustments	<b>1</b>	VAT due in this period on sales and other outputs:	£ 168,352.31
 Output VAT	<b>2</b>	VAT due in this period on acquisitions from other EC Member States:	£ 0.00
 EU acquisitions	<b>3</b>	Total VAT due (the sum of boxes 1 and 2):	£ 168,352.31
 Input VAT	<b>4</b>	VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC):	£ 22,502.14
 EU supplies	<b>5</b>	<b>Net VAT to pay to HMRC:</b>	<b>£ 145,850.17</b>
	<b>6</b>	Total value of sales and all other outputs excluding any VAT:	£ 3,214,426.00
	<b>7</b>	Total value of purchases and all other inputs excluding any VAT:	£ 151,653.00
	<b>8</b>	Total value of all supplies of goods and related costs, excluding any VAT, to other EC Member States:	£ 0.00
	<b>9</b>	Total value of all acquisitions of goods and related costs, excluding any VAT, from other EC Member States:	£ 0.00

## 5. VAT Reports

The **Contents tree** on the left-hand side of the screen aides the user in navigating and understanding the structure of the calculation.

Each section can easily be expanded to view lower level reports. The contents tree will only display reports that are relevant to your calculation. For example, if you have not blocked or excluded data from your calculation for a particular entity's VAT Return, then these reports will not appear in the contents tree.

Only one report can be viewed at a time and you can select a report by clicking on the report name in the contents tree. Once you have selected the report you wish to view, you can click on a value in the report to see where that number goes to or comes from within the calculation.

☰	VAT return summary
▼	Output VAT
▼	Sales summary
▶	Sales taxable
▶	Sales exempt
▶	Sales excluded
▶	Exports summary
▶	Distance sales summary
▶	Dispatches summary
▶	Blocked outputs
▶	Input VAT
▶	Excluded transactions

Transaction reports will include any optional column headings selected and mapped on the **Map your data** screen. You can access a transaction report by clicking on an **orange value** displayed in the Output VAT or Input VAT reports, or by selecting the relevant transaction report from the contents tree.

Once you have selected a transaction report, you can export it to a Microsoft Excel file (see section 3).

### Input VAT report

Entity details
VAT calculation options
Upload files
Map files
Map data
Preview and analysis
VAT reports

**Input VAT**

Diagnostics

☰ VAT return summary

▼ Output VAT

- ▶ Sales
- ▶ Exports
- ▶ Distance sales
- ▶ Dispatches
- ▶ Blocked outputs

▼ Input VAT

- ▶ Purchases
- ▶ Imports
- ▶ Acquisitions
- ▶ Reverse charge
- ▶ Domestic reverse charge
- ▶ Blocked inputs
- ▶ Excluded transactions

	Net (£)	VAT (£)
Purchases	60,905,475.00	10,519,371.35
Imports	54,022,963.00	9,593,810.35
Acquisitions	1,961,108.00	0.00
Reverse charge	26,210,279.00	2,699,737.20
Domestic reverse charge	9,474,900.00	1,894,980.00
<b>Total</b>	<b>£ 152,574,725.00</b>	<b>£ 24,707,898.90</b>
	<b>Box 7</b>	<b>Box 4</b>

EU acquisitions		
Acquisitions	1,961,108.00	0.00
<b>Total</b>	<b>£ 1,961,108.00</b>	<b>£ nil</b>
	<b>Box 9</b>	<b>Box 2</b>

# Output VAT report

Entity details		VAT calculation options		Upload files		Map files		Map data		Preview and analysis		VAT reports	
<b>Output VAT</b>													
Diagnostics													
VAT return summary													
▶ Output VAT													
▼ Input VAT													
▶ Purchases													
▶ Imports													
▶ Acquisitions													
▶ Reverse charge													
▶ Domestic reverse charge													
▶ Blocked inputs													
▶ Excluded transactions													
				<b>Net (£)</b>				<b>VAT (£)</b>					
Sales				5,049,495.00				0.00					
Exports				8,703,954.00				0.00					
Distance sales				72,113,452.00				10,828,254.75					
Dispatches				9,655,085.00				0.00					
Reverse charge				26,210,279.00				2,699,737.20					
Domestic reverse charge								1,894,980.00					
<b>Total</b>		<b>£</b>		<b>121,732,265.00</b>		<b>£</b>		<b>15,422,971.95</b>					
				<b>Box 6</b>				<b>Box 1</b>					
EU supplies													
Dispatches				9,655,085.00									
<b>Total</b>		<b>£</b>		<b>9,655,085.00</b>									
				<b>Box 8</b>									

## 6. Transaction reports

Once you have selected a transaction report, you will see a list of all the transactions associated with the VAT Return calculation for that report. In the example below, we are showing the sales transaction report.

From here, you will be able to export a copy of the data into a Microsoft Excel file, by clicking on the **Export to Excel** button.

Entity details		VAT calculation options		Upload files		Map files		Map data		Preview and analysis		VAT reports	
<b>SALES</b>													
Diagnostics													
VAT return summary													
▶ Output VAT													
▶ Sales													
▶ Input VAT													
<b>Date</b>	<b>Tax code</b>	<b>Description</b>	<b>Net (£)</b>	<b>VAT (£)</b>									
04/09/2018	T1	August Mgmt fee - A	183,431.88	0.00									
04/09/2018	T1	August Mgmt fee - B	237,581.07	0.00									
04/09/2018	T1	August Mgmt fee - C	145,204.57	0.00									
04/09/2018	T1	August Mgmt fee - D	31,003.38	0.00									
04/09/2018	T1	August Mgmt fee - E	97,465.77	0.00									
04/09/2018	T1	August Taxable fee A	178,421.88	35,684.38									
04/09/2018	T1	August Taxable fee B	339,681.07	67,936.21									
04/09/2018	T1	August Taxable fee C	323,658.58	64,731.72									
02/10/2018	T1	September Mgmt fee - A	164,815.54	0.00									
02/10/2018	T1	September Mgmt fee - B	209,542.41	0.00									
02/10/2018	T1	September Mgmt fee - C	128,883.48	0.00									
02/10/2018	T1	September Mgmt fee - D	29,124.67	0.00									
02/10/2018	T1	September Mgmt fee - E	85,908.20	0.00									
			<b>3,214,426.07</b>	<b>168,352.31</b>									
				5.24%									
				<a href="#">Back to preview</a>		<a href="#">Export to Excel</a>							

You will then be able to open the downloaded Excel file, which you can save locally.

Holden Limited - VAT Return 30.06.2017 - Sales (1).xlsx - Protected View - Excel

File Home Insert Page Layout Formulas Data Review View Help ACROBAT

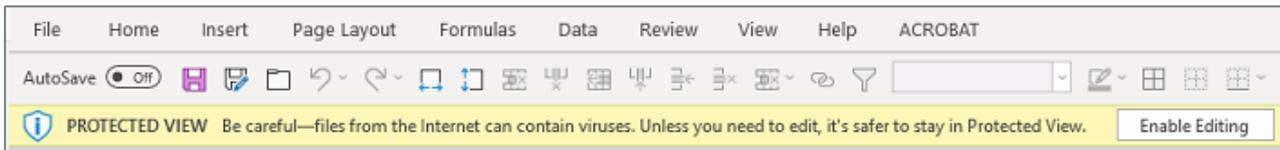
AutoSave  Off

**PROTECTED VIEW** Be careful—files from the Internet can contain viruses. Unless you need to edit, it's safer to stay in Protected View.

A1

	A	B	C	D	E	F	G
1	Date	Tax code	Description	Net (£)	VAT (£)		
2	04/09/2018	T1	August Mgmt fee - A	183,431.88	0.00		
3	04/09/2018	T1	August Mgmt fee - B	237,581.07	0.00		
4	04/09/2018	T1	August Mgmt fee - C	145,204.57	0.00		
5	04/09/2018	T1	August Mgmt fee - D	31,003.38	0.00		
6	04/09/2018	T1	August Mgmt fee - E	97,465.77	0.00		
7	04/09/2018	T1	August Taxable fee A	178,421.88	35,684.38		
8	04/09/2018	T1	August Taxable fee B	339,681.07	67,936.21		
9	04/09/2018	T1	August Taxable fee C	323,658.58	64,731.72		
10	02/10/2018	T1	September Mgmt fee - A	164,815.54	0.00		
11	02/10/2018	T1	September Mgmt fee - B	209,542.41	0.00		
12	02/10/2018	T1	September Mgmt fee - C	128,883.48	0.00		
13	02/10/2018	T1	September Mgmt fee - D	29,124.67	0.00		
14	02/10/2018	T1	September Mgmt fee - E	85,908.20	0.00		
15	07/11/2018	T1	October Mgmt fee - A	190,829.31	0.00		
16	07/11/2018	T1	October Mgmt fee - B	240,038.91	0.00		
17	07/11/2018	T1	October Mgmt fee - C	145,522.01	0.00		
18	07/11/2018	T1	October Mgmt fee - D	36,068.39	0.00		
19	07/11/2018	T1	October Mgmt fee - E	99,836.73	0.00		
20	08/10/2018	T2	Management fee Capital	338,366.22	0.00		
21	21/11/2018	T2	Amendment	5,566.80	0.00		
22	21/11/2018	T2	Amendment	3,475.20	0.00		
23				<b>3,214,426.07</b>	<b>168,352.31</b>		
24					5.24%		

When you open the Excel file, it will be displayed in protected view. If you want to add any additional information to the Excel file, you will need to enable editing.



## 7. Diagnostics

### Understanding the Diagnostics Report

The **Diagnostics Report** lists the warnings and errors within the computation. The total number of diagnostics is displayed at the top of the statement.

<b>ID</b>	A unique ID is displayed against each diagnostic. Clicking on the ID number will link to the relevant report statement to assist in resolving the diagnostic. If you need to contact our Support team after reading the help, quoting this ID number will assist us in identifying the issue and providing appropriate guidance.
<b>Description</b>	This column displays full details of the error(s) and/or warning(s).
<b>Further information</b>	This column includes details of the incorrect calculation, the item to which the diagnostic relates, or other relevant information which will help to identify the cause of the diagnostic.
<b>Action required</b>	To assist resolving the diagnostic, this column indicates whether the issue arises due to incorrect/missing data or adjustments.

## Statement diagnostics

ID	Diagnostic	Explanation
1.	Any figures in box 8 must also be included in box 6. Therefore, box 8 should not be greater than box 6.	Review EU supplies manual adjustments made, they should also be included in the output VAT net manual adjustment as well.
2.	Any figures in box 9 must also be included in box 7. Therefore, box 9 should not be greater than box 7.	Review EU acquisitions Net manual adjustments made, they should also be included in the input VAT net manual adjustment as well.
3.	Output VAT transactions have been flagged as blocked, these transactions will be excluded from the calculation.	Blocked transactions relates to the rules of recovery on input VAT in box 4 only, and therefore this treatment is not applicable to outputs. Review the transactions marked as blocked and ensure that no outputs are included.
4.	Box 1 should not normally exceed 20% of box 6.	VAT due on sales and other outputs should normally not exceed 20% of the total value of sales and all other outputs. However in certain circumstances it can, for example, when correcting a VAT amount from a prior period. Review the reports and any manual adjustments entered to confirm treatment.
5.	Box 4 should not normally exceed 20% of box 7.	It is possible that Box 4 may be more than 20% Box 7, as some input tax adjustments do not have a corresponding entry in Box 7, however this is reasonably uncommon and therefore we would suggest reviewing these entries.
6.	Box 2 should normally be 20% of box 9.	<p>The VAT accounting treatment for acquisitions requires that output VAT is self-accounted for in box 2, and the net value of the supply is also included in box 9.</p> <p>These boxes are used for acquisitions only, and as such, the entry in box 2 should not normally exceed 20% of box 9. Review the reports and any manual adjustments entered to confirm treatment.</p>

## 8. Completing your AlphaVAT calculation

Once you are happy that your VAT Return is complete, you can click on the **Ready to Submit** button.

The screenshot shows the 'VAT RETURN SUMMARY' screen. At the top, there is a navigation bar with tabs: Entity details, VAT calculation options, Upload files, Map files, Map data, and Preview and analysis. Below the navigation bar, a message states: 'Your VAT Return has been calculated, please check the figures generated in the preview below.' The main content area is divided into two sections: 'REPORTS' on the left and 'VAT RETURN SUMMARY' on the right. The 'REPORTS' section includes 'Diagnostics', 'VAT Return summary' (highlighted), 'Output VAT', 'Input VAT', and 'Adjustments'. The 'VAT RETURN SUMMARY' section is a table with 9 rows. The table has columns for a box number, a description, a currency symbol (£), and a numerical value. The 'Net VAT to pay to HMRC' row (row 5) is highlighted in orange. At the bottom of the screen, there are three buttons: 'Back to map data', 'Export to Excel', and 'Ready to submit'.

Box	Description	Currency	Value
1	VAT due in this period on sales and other outputs:	£	168,352.31
2	VAT due in this period on acquisitions from other EC Member States:	£	0.00
3	Total VAT due (the sum of boxes 1 and 2):	£	168,352.31
4	VAT reclaimed in this period on purchases and other inputs (including acquisitions from the EC):	£	22,502.14
5	<b>Net VAT to pay to HMRC:</b>	£	<b>145,850.17</b>
6	Total value of sales and all other outputs excluding any VAT:	£	3,214,426.00
7	Total value of purchases and all other inputs excluding any VAT:	£	151,653.00
8	Total value of all supplies of goods and related costs, excluding any VAT, to other EC Member States:	£	0.00
9	Total value of all acquisitions of goods and related costs, excluding any VAT, from other EC Member States	£	0.00

This will take you to the **Entity Details** screen where you will be able to finalise and complete your VAT Return submission to HMRC.

The screenshot shows the 'VAT Return for Qtr to May 2019' screen. On the left, there is a list of VAT returns with their due dates: 'Qtr to May 2019 Due: 07/07/2019' (highlighted), 'Qtr to Feb 2019 Due: 07/04/2019', 'Qtr to Nov 2018 Due: 07/01/2019', and 'Qtr to Aug 2018 Due: 07/10/2018'. The main content area is divided into two sections. The top section contains the text: 'Your VAT Return is now ready based on the data uploaded in the AlphaBridge template. You can continue to edit and amend your calculation, or if the VAT Return calculation below is accurate then you can mark this calculation as finalised, it will then be ready to send to HMRC.' Below this text is a 'Finalise' button. The bottom section contains a 'Download template' button. On the right side, there is a 'Calculation by' section with the following details: 'Last updated: 30/07/2019 09:38:38', 'Method: AlphaBridge (change method)', and a 'Download template' button.

For more information see the **VAT Return Submission Guide**.



TAX SYSTEMS



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Tax Computer Systems Limited  
Magna House, 18 – 32 London Road,  
Staines-Upon-Thames, TW18 4BP

**T:** 01784 777 700  
**E:** [enquiries@taxsystems.com](mailto:enquiries@taxsystems.com)  
**W:** [www.taxsystems.com](http://www.taxsystems.com)

Registered Office:  
Magna House, 18-32 London Road, Staines-Upon-Thames, TW18 4BP  
Registered in England & Wales number 05347048

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