
£10,000 VAT update bill for FirstFound consultancy

A MANCHESTER city centre business has been forced to spend £10,000 reprogramming its systems to deal with the VAT rate change.

FirstFound, a search engine consultancy based on Oxford Street, has spent the money to ensure its customers are paying the correct fees.

Owner Chris Bellamy said: "I've had to create 68,000 new invoices and credit notes, and email them to 6,000 different customers. I've got 2,300 customers who pay by standing order and are now paying the wrong amount, so I need to address that as a matter of urgency too."

FirstFound's plight came to light as accountancy firm **Tenon** urged businesses across Greater Manchester to consider all

potential hidden costs, following the government's decision to lower VAT to 15 per cent.

Additional costs, such as addressing customer queries and educating staff, could be incurred by the change, which came into effect on December 1.

£500

Cost of VAT change for some

John O'Mahony, Tenon's head of tax in the north west, said: "We are advising our clients to consider the costs beyond the simple process of applying the new rate."

The Treasury estimates that the change will cost small businesses just £10, and larger ones up to £500.