



## ...The Retail Industry



Retailers operate in an increasingly competitive market. With the rapid growth of direct marketing, telephone sales, internet trading, and overseas competition, more than ever retailers need sound financial advice. This factsheet provides a brief introduction to some of the issues facing the retail industry, but for more information please contact a member of the Tuchbands team.

### VAT

A Major issue in retailing is the stringent demands of the VAT regime.

Using standard VAT accounting, if you are VAT-registered then you must record the VAT on each sale in your accounting records. However, special schemes of accounting for VAT are available to retailers, which can help simplify your retail VAT accounting.

There are a number of different standard retail schemes or, depending on your business, you may be able to agree a bespoke VAT retail scheme with HM Revenue & Customs (HMRC). Standard retail schemes are suitable

for most retail businesses, although there are special arrangements and rules for catering, retail pharmacists and florists.

You must still issue a VAT invoice to any customer who requests one.

We can relieve you of a lot of unnecessary time and expense by advising on the most appropriate scheme and handling your VAT planning and administration.

### Stock control

Inefficient stock management can seriously damage the profits of any new or growing business. Holding stock ties up valuable cash and incurs costs in warehousing, personnel, transportation and insurance.

Although it is generally best to keep stock as low as possible to avoid tying up capital, this might not always be possible if there are really significant bulk discounts available.

If you decide to make changes to your stock levels or procedures, be sure to do so within the context of the business as a whole. Never make stock decisions in isolation.

## Pricing

One of the most important decisions to be made when launching a product or service is setting the price. Sometimes, this is also one of the most difficult decisions.

It always pays keep an eye on your pricing in relation to the competition, and hopefully be one step ahead.

## Staying ahead of the competition

The retail sector has always been one of the most competitive business environments in which to operate in. Most retailers know that they should do

competitive analysis, but often they do not know exactly what to do, when to do it, and how to do it with the most value and least cost.

Competitive analysis is more effective when it is really focused - and in such a way that leads directly and quickly to real business improvement. You can do this by 'benchmarking' your business against competitors.

Tuchbands can help you maximise your profitability.

**Please contact a member of the Tuchbands team for more information.**

**Our promise to you includes: Fixed Fee Accounting** Balancing the books with no 'hidden extras'

We offer transparent fixed fee packages that are simple and straightforward but still tailored to suit the specific needs of your business. We don't want our clients to receive any nasty surprises so we will work with you to put together the perfect package for your business. Business basic starts from as little as £150 a month.