



This activity will make sure that you understand how bills and bank statements are worked out, including VAT. You will use a calculator to find all the errors that have been made on an invoice, phone bill and bank statement, then make a correct version of each.

### Information sheet

Invoices, bills and bank statements can be set out in many different ways. The ones in this exercise are typical examples.

#### Invoices

VAT – Value Added Tax. You have to pay this tax on almost everything you buy. VAT is not charged on food, children’s clothes, books and magazines.

20% is the usual VAT rate, but fuel bills have VAT at 5%.

#### Phone bills

The time is given in hours and minutes. Change the hours into minutes to work out the costs.

For example, 2:47 gives  $2 \times 60 + 47 = 167$  minutes

#### Bank statement

Balance is the amount in the bank account.

Here are some other terms used, and abbreviations for them:

**Add** this to the balance:

- CR – Credit; these are amounts going into the account

**Subtract** all these from the balance:

- ATM – money taken out via a ‘hole in the wall’ machine
- DD – Direct Debit; money automatically paid out to an organisation when it asks for it
- SO – Standing Order; a set amount of money paid out to an organisation, and only you can change the amount
- DC – Debit Card; payments made on your card
- CHQ – cheques you have written to someone else.

#### Think about...

How to read answers on your calculator – how much is £3.2?

How to work out 20% VAT

Which items to add and which to subtract in the bank statement.

### At the end of the activity

#### When you have worked through the worksheets ...

What errors did you find on the invoice?

Can you explain why the mistakes happened?

What errors did you find on the phone bill?

Can you explain why they happened?

What errors did you find on the bank statement?

What method is used to check the final balance?

## Worksheet Check this invoice

Find any errors in this invoice

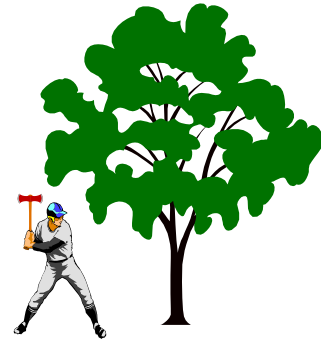
# Tree Care Limited



Mr Green  
Poplar Drive  
Oakhampton  
OK6 2AX  
**20 February**  
**Invoice No: 22584**

Fir Tree Road  
Oakhampton  
OK7 3AX

01876 34259



Customer Reference  
25489

Job Number 654

Work Done	Net Amount	VAT @ 20%
Trim all hedges	£164.80	£32.96
Prune 4 conifers @ £12 each	£48.00	£9.06
Prune 2 apple trees @ £15.75 each	£31.05	£6.21
Disposal of debris	£24.00	£4.08
<b>Total</b>	<b>£257.85</b>	<b>£43.25</b>
	<b>Total to pay</b>	<b>£301.01</b>

**TERMS: PAYMENT WITHIN 10 DAYS**

## Worksheet Check this phone bill

Find any errors in this phone bill

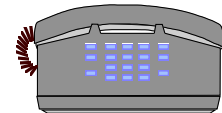
**Your account number**  
ST 4259 1273

**Bill number**  
Q053 ZY

**Date**  
11 November

MR B QUIET  
54 RINGMORE ROAD  
CHATHAM  
SB24 3HP

# ALL TALK



## Bill for 01457 984375

### Total now due

Please pay by 22 November

#### Bill Totals

This is a summary of your bill.  
VAT is payable on the Line Rental  
and Cost of Calls, but not on the  
Payment Charge.

<b>Cost of Calls</b>	<b>£26.44</b>
<b>Line Rental</b>	<b>£32.99</b>
<b>Total</b>	<b>£59.43</b>
<b>VAT @ 20%</b>	<b>£20.00</b>
<b>Payment Charges</b>	<b>£4.50</b>
<b>TOTAL NOW DUE</b>	<b>£143.36</b>

**Cost of Calls** A summary of your calls and the associated costs are given below:

Type of call		Number of calls	Total duration (hours:minutes)	Charges	Total cost
UK calls	Daytime	48	01:46	3.25p per minute	£4.75
	Evening/Weekend	124	09:13	5.50p per call	£6.82
To a mobile	Daytime	32	01:51	12.50p per minute	£4.00
	Evening/Weekend	72	02:36	7.50p per minute	£11.07

## Worksheet Check this bank statement

Find any errors in this bank statement

I M Rich Esq  
Pound Lane  
Miserton  
LS9 3TW

Account Summary	
Opening balance	<b>368.92</b>
Total payments in	1281.46
Total payments out	1180.31
Closing balance	<b>470.07</b>

**14 September to 13 October**

**Account Name**  
Mr I M Rich

**International Bank Account Number**

GB09MIDL4043212345678

**Branch Identifier Code**

MIDLGB2114V

Sort Code	Account Number	Sheet Number
40-43-21	2345678	236

### Your Bank Account details

Date	Payment type & details	Paid out	Paid in	Balance
13 Sep	<b>BALANCE BROUGHT FORWARD</b>			<b>368.92</b>
14 Sep	ATM CASH SEP14 DOWNTOWN 1 @09:50	50.00		318.92
20 Sep	CHQ 104569	125.98		192.94
22 Sep	ATM CASH SEP14 PENNY LANE @18:25	60.00		132.94
24 Sep	CR PAYMEBACS		745.89	878.73
27 Sep	DC COSTAPACKET	329.43		549.30
28 Sep	CHQ 104570	8.65		540.65
29 Sep	ATM CASH SEP23 DOWNTOWN 2 @10:07	50.00		590.65
1 Oct	DD STROUD DC	166.00		
	SO KEEPSON I	200.00		224.65
2 Oct	CHQ 104571	17.50		207.15
5 Oct	CR PAID IN AT HSBC BANK PLC		375.00	
	DC SHOPALOT	39.95		542.02
6 Oct	ATM CASH OCT02 DOWNTOWN 2 @10:03	60.00		482.02
8 Oct	DD CHARITY PAYMENT	25.00		457.02
10 Oct	CHQ 104572	47.80		
	CR PAID IN AT BANK		35.00	469.82
13 Oct	CR NET INTEREST TO 12OCT		0.25	470.07
13 Oct	<b>BALANCE CARRIED FORWARD</b>			<b>470.07</b>

## Worksheet Complete this invoice

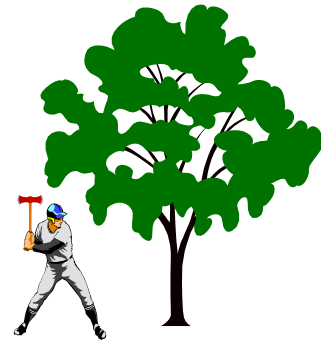
Fill in the correct amounts in this invoice.

# Tree Care Limited



Fir Tree Road  
Oakhampton  
OK7 3AX

01876 34259



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Oakhampton  
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**20 February**  
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Disposal of debris	£24.00	
<b>Total</b>		
	<b>Total to pay</b>	

**TERMS: PAYMENT WITHIN 10 DAYS**

## Worksheet Complete this phone bill

Fill in the correct amounts on this phone bill.

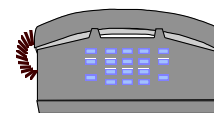
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# ALL TALK

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**Date**  
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This is a summary of your bill.  
Note that VAT is payable on the Line Rental and Cost of Calls, but not on the Payment Charge.

<b>Cost of Calls</b>	.....
<b>Line Rental</b>	<b>£32.99</b>
<b>Total</b>	_____
<b>VAT @ 20%</b>	.....
<b>Payment Charges</b>	<b>£4.50</b>
<b>TOTAL NOW DUE</b>	<b>_____</b>

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## Worksheet Complete this bank statement

Fill in the correct amounts on this bank statement.

I M Rich Esq  
Pound Lane  
Miserton  
LS9 3TW

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Closing balance	

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**Account Name**  
Mr I M Rich

**International Bank Account Number**

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**Branch Identifier Code**

MIDLGB2114V

**Sort Code**   **Account Number**   **Sheet Number**

40-43-21   2345678

236

### Your Bank Account details

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