

## How to prepare an invoice - examples and templates

If you are contracting and using a [limited company](#) as your payment structure you will need to raise invoices for the services you provide.

This article explains how to prepare one with an example, together with links to our free and full editable invoice templates in Word and Excel format.

Don't forget - if you are not paid on time then follow the correct [late payment process](#) to collect your debts.

### Invoice Requirements

Here is a list of the legal requirements for invoices in the UK. These are all included on our invoice templates at the bottom of this page.

#### Company details:

The following information should be included on all your invoices:

Company name

Company address

Company telephone number and email address.

Company number

[VAT](#) registration number (if VAT registered)

#### Invoice number:

Each of your invoices should have a unique invoice number. Although is called a number it can include letters. A common method is to prefix invoices with letters that indicate the client.

For example: If you provided services for IBM and the BBC, for IBM you could use IBM001 and IBM002, etc. For the BBC you could use BBC001 and BBC002.

Using three placements for the numbers will ensure they sort in date order.

#### Dates:

You should include the following dates:

Date: the date the invoice was raised.

Due date: the date by which payment should be made. Normally 30 days after the invoice date.

#### Client details:

The name of the agency, or client if contracting directly.

#### Fees:

This section requires the following:

A description of the services provided

The gross amount due.

The VAT amount, if you are VAT registered.

The total amount due.

For example:

20 Days @ £500 per day	Amount:	£10,000
	VAT:	£2,000
	Total:	£12,000

#### Payment terms:

Specify how you would like to receive the money. For example:

Payment should be made within 30 days by cheque or money transfer.  
 Cheques should be made payable to 'My Company Ltd'.  
 Money transfers should be sent to:  
 The Contractors Bank  
 Sort: 01-01-01  
 Acc#: 012345678  
 Reference: Use invoice number

Most agencies and clients do not pay via cheque and choose money transfer. Cheques can be inconvenient. If you wish to only be paid by money transfer then use the following:

Payment should be made within 30 days by money transfer only to the following account:  
 The Contractors Bank  
 Sort: 01-01-01  
 Acc#: 012345678  
 Reference: Use invoice number

#### Email the invoice, or post it?

Your agency or client will specify how they would like to receive the invoice. Some will request a paper copy.

If you are permitted to submit your invoice via email then it is useful to convert the invoice into PDF format so that it cannot be altered. There is a free PDF creator which you can use at [PrimoPDF](#). This creates a PDF file from any application which can then be emailed to the client.

#### What about timesheets?

Most agencies and clients require a timesheet to be signed and a copy included with the invoice. Ensure you take a copy of the timesheet before sending it in!

#### Issues with late or non-payment

If you do not get paid by the due date and invoices remain unpaid for more than 30 days then you have the legal right to charge interest on the money for [Late Payment](#). Make sure you address any late payment concerns early, because they can often signal that the client is having cash flow problems, which could lead to non-payment, which is far more expensive to you than just being paid late!

It is important to follow the [correct late payment process](#) if invoices have not been paid. Do not simply down tools and march off the client site demanding payment. This could result in the client claiming a [breach of contract](#). The first step is to speak to the client, before then following up with more formal and legal action. This will involve a formal warning, [Letter Before Action](#), debt collection agency, and finally litigation via the courts.

#### Example Invoice

<b>Wicked Solutions</b> 50 Software Drive London E1 3FR Tel: 0208 555 555  Company #:112334 VAT: 66-777-888	
<b>Invoice Number:</b>	ABC001
<b>Date:</b>	20 December 2004
<b>Due Date:</b>	20 January 2005
<b>To:</b>	ABC Ltd

<b>Fees:</b>	<b>Contracting Services</b>	
	20 days @ £600 per day	£12,000.00
	<b>Sub Total</b>	£12,000.00
	<b>VAT @ 20%</b>	£2,400.00
	<b>TOTAL</b>	£14,400.00
<b>Payment terms:</b>	Payment within 30 days.	
Money transfer to the account below: Wicked Solutions Ltd Sort Code: 20-21-22 Account No: 12345678		

## Free Fully Editable Invoice Templates For Word & Excel



InvoiceTemplate.doc



InvoiceTemplate.xls

Updated: Sunday, December 21, 2014

© 2016 All rights reserved. Reproduction in whole or in part without permission is prohibited. Please see our [copyright notice](#).



ABCe verified website - last audit confirmed 134,482 monthly unique visitors

© Copyright 2016 Byte-Vision Limited UK. All rights reserved [Copyright notice](#)