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 Creditors: Net VAT due
 From 06/04/17 to 31/08/17

Date	Reference	N	Details	A	Asset	Liability	Balance
06/04/17			Balance brought forward				0.00
30/04/17	VAT 000001		Apr 17 VAT return			3,114.65	-3,114.65
07/06/17	JRN 000001		VAT adjustment for first return		4,534.00		1,419.35
03/07/17	REC 000508		HMRC			1,289.64	129.71
31/07/17	VAT 000002		Jul 17 VAT return			2,407.43	-2,277.72
22/08/17	PAY 001275		HMRC vat		2,407.43		129.71
31/08/17			Balance carried forward				129.71

3114.65 - calculated by software

4534.00 - actual figures manually calculated by me
 for first return entitlements

1419.35 - what I claimed as refund

1289.64 - actual cheque received

129.71 - difference - VAT office disagreed with me.

So the 3114.65 automatically went to CREDITORS Net VAT due

My journal was: CREDITORS (4534.00) Net VAT due (DR)

What should be the CR?

And how do I get rid of the £129.71 underpayment
 please? Do I offset it against the expense HMRC
 disagreed with?