

Company tax return form Guide (2007) to form CT600 Version 2

for accounting periods ending on or after 1 July 1999

What's in this Guide?

This CT600 *Guide* will help you complete the company tax return form, CT600 Version 2, and we advise you to read all the General notes and use the box by box advice when you are completing the form. Whilst the notes do not give a detailed description of the tax system for companies or a detailed account of how to calculate the company's liability they do contain general information you may need. The layout of the notes follows the order on form CT600 and the numbering refers to the box number. If you are not a tax expert, we advise you to seek professional advice about any transactions that seem likely to give rise to liability, or relief.

You can get more information

- on our website at www.hmrc.gov.uk
- from the publications listed on page 24 of this *Guide*, or
- from your local HM Revenue & Customs office.

Subject	Page
General notes – the basic rules	3 to 6
<i>Includes</i>	
What is a company tax return?	3
When must I send in my return?	4
Which form do I use?	6
Completing the company tax return form – box by box advice	6 to 23
<i>Includes</i>	
Estimated figures	7
Disclosure of tax avoidance schemes	7
Transactions between connected businesses – transfer pricing	7
Charges paid (Charity giving)	12
Tax calculation	12 to 14
Marginal starting rate or marginal small companies' relief	13
Non-corporate distributions (includes dividends made)	14
Advance corporation tax	15
Research and development expenditure	17 to 18
Overpayments and repayments	21 to 23
Small repayments	21
What do I do when I have completed the company tax return form?	23
Table of corporation tax rates and fractions	24

Abbreviations used in this Guide

References to taxation law

CAA 2001	Capital Allowances Act 2001
FA + year	Finance Act + year
ICTA 1988	Income and Corporation Taxes Act 1988
S or Ss	Section or Sections of Act shown
Sch	Schedule of Act shown
SI	Statutory Instrument
TCGA 1992	Taxation of Chargeable Gains Act 1992

Other

AP	Corporation tax accounting period, see note on page 3
CT	Corporation tax
dd/mm/yyyy	How we want a date entered, for example 01/01/2005
EC	European Commission
EU	European Union
FID	Foreign income dividend, see note for box 38 on page 12
FII	Franked investment income, see note for box 38 on page 12
FY	Financial year that starts on 1 April and ends the following 31 March, for example FY 2006 means the year beginning 1 April 2006 and ending on 31 March 2007
GAAP	Generally accepted accounting practice
HMRC	HM Revenue & Customs
IAS	International Accounting Standards
NCD	Non-corporate distribution, see notes on page 14
PE	Permanent establishment
SME	Small & medium-sized enterprise, defined in context where used

General notes

Before you start

Who needs to make a company tax return?

The term 'company' includes a members' club or unincorporated association, but does not include a partnership, a local authority or a local authority association.

- All companies required by a notice (*Notice*, form CT603), issued in accordance with law, must deliver a company tax return. Even if the company was not within the charge to CT, for example because it was dormant throughout the period shown on the *Notice*, then you should complete page 1 of form CT600 giving all relevant information, read the warning and then sign the declaration on the last page of form CT600, attach a copy of the company's accounts and a note saying why you consider the company is not within the charge to CT.
- A company coming within the charge to corporation tax must, by law, tell HMRC within three months of doing so, and
- A company that is chargeable to tax for an accounting period, but has not received a *Notice* requiring a company tax return, must, by law, give notice to HMRC that it is chargeable, within twelve months of the end of the accounting period.

Failure to comply makes a company liable to a penalty.

What is a company tax return?

A company tax return is not just the company tax return form (form CT600) and any supplementary pages but also

- accounts*, for the period covered by the return and
- computations showing how entries on the return have been calculated from the figures in the accounts.

Any relevant claims, elections, reports, or statements must be included. Different information, accounts, statements and reports may be required from different descriptions of company as, for example, is the case with insurance** companies.

* 'Accounts' required are:

- for companies resident in the UK throughout the period covered by the return and required by the law of the territory in which they are established or by EC Regulation 1602/2002 to prepare accounts covering that period, those accounts including a copy of any directors' and auditor's report similarly required. These are the accounts that a company is required to prepare under company law for its members and not the abbreviated accounts it may be permitted to file with the Registrar of Companies.
- in the case of an insurance** company, a copy of the return deposited with the Financial Services Authority under Chapter 9 of the Prudential Sourcebook (Insurers) or Chapter 5 of the Prudential Sourcebook (Friendly Societies) for the period coinciding with or overlapping the period covered by the return.
- for companies not resident in the UK but carrying on a trade through a permanent establishment (PE) in the UK:
 - the trading and profit and loss accounts of the company required by the law of the territory in which it is established or by EC Regulation 1602/2002
 - a profit and loss account of the UK PE covering the period to which the return relates drawn up in accordance with UK generally accepted accounting practice (GAAP) or international accounting standards (IAS)
 - balance sheet for the company required by the law of the territory in which it is established or by EC Regulation 1602/2002 at the end of the period of account and
 - if prepared, the balance sheet of the UK PE at the same date drawn up in accordance with UK GAAP or IAS
 - all accounts and balance sheets must be in English.
- in any other case, a copy of any accounts, including balance sheet, that the company is required by statute or by its constitution to prepare, covering the period to which the return relates.
- where the company was outside the charge to corporation tax (for example, because it was dormant) and there is no single set of accounts that covers the period, you should enclose the most recent accounts prepared.

**Insurance company is a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of insurance.

If you do not include all the relevant items you will not have satisfied the legal requirements to deliver a company tax return.

How can I make a company tax return?

You can deliver a company tax return:

- by using Corporation Tax Online on the internet. See 'do it online' on our website to find out more about this service which is available to companies and their agents, helps you with the calculations, and is fast and secure.
- in paper format, including either approved substitute forms (through third party tax software firms), or the official published forms CT600, to your own HMRC office.

What is an accounting period for tax purposes?

This is the period for which you have to calculate corporation tax (CT) liability. A CT accounting period (AP) cannot be more than twelve months. In most cases it will be the same as the period for which the company draws up its accounts.

An **AP starts** when a company comes within the charge to CT by, for example, acquiring a source of income, starting business activities, or becoming resident in the UK. An AP also starts immediately after the end of a previous AP, provided the company is still within the charge to CT.

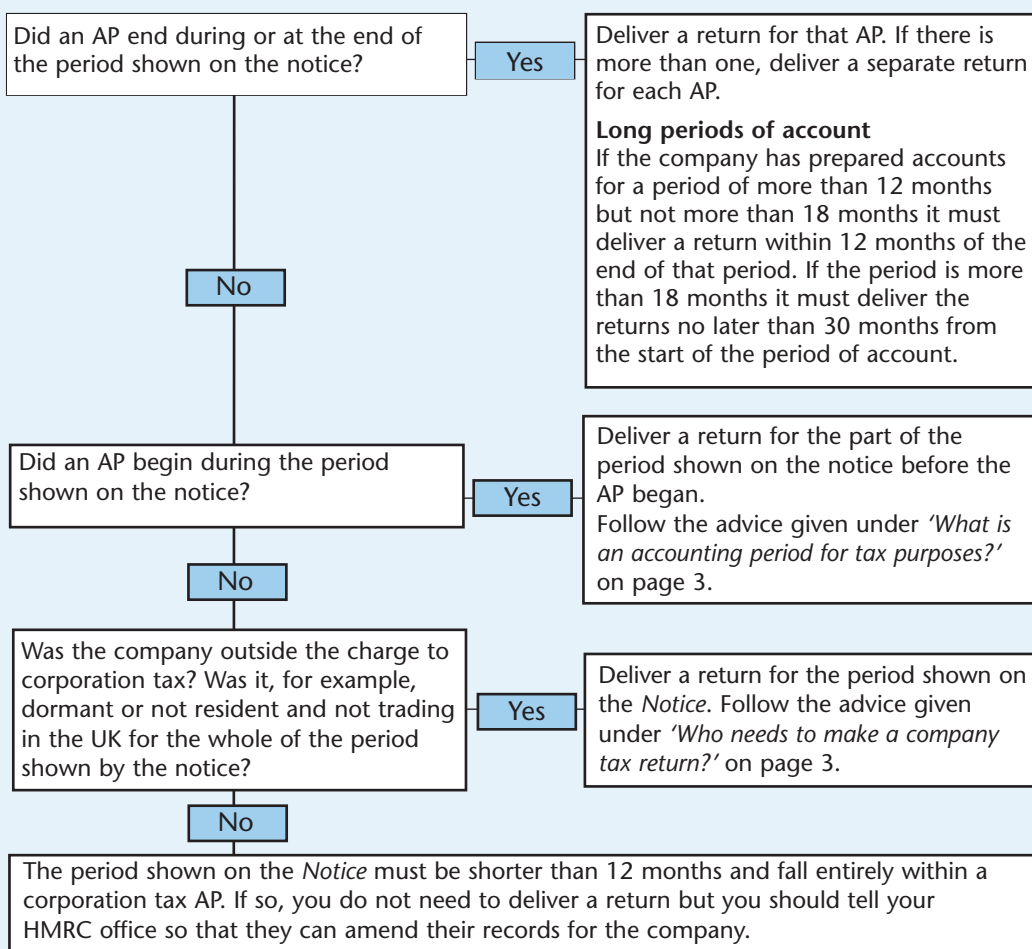
An **AP ends** on the earliest of the following:

- the company reaches the end of the period for which it draws up accounts (its accounting date) or the end of a period for which it has not drawn up accounts
- 12 months since the AP began
- the company starts or stops trading, even if other business activities or sources of income continue
- the company stops being within the charge to CT, for example after winding up its business and selling all its assets, or a non-resident company ceasing activity in the UK
- the company starts or stops being resident in the UK
- the company goes into administration or is wound up (goes into liquidation). Once a company goes into liquidation its APs run for consecutive periods of 12 months, unless ended earlier by completion of the winding up.

See *Who needs to make a company tax return?* on page 3 if the company is outside the charge to corporation tax and has received a *Notice*.

What period must the return cover?

If the period shown on the *Notice* is different from the company's AP, the chart below will tell you whether or not you must deliver a return and, if so, for what period.



When must I send in my return?

You can deliver a company tax return at any time after the end of its AP but you must do so no later than the legal filing date, which is normally the later of:

- twelve months after the end of the AP or,
- three months after your company receives the *Notice* (form CT603).

For full details see the chart above.

The company should take all reasonable steps to deliver a return on time. If it does not there are automatic penalties for failure to deliver a return by the statutory filing date.

The penalties for late returns start at £100 and increase up to £1,000, plus 20% of any tax paid late for long delays and repeated failures (see Paragraphs 17 to 19 Sch 18 FA 1998). You, or the company, or its directors, may even be prosecuted in certain circumstances for failure to deliver a return.

If you think you may be late in delivering the return,

- warn your HMRC office in advance; they may, exceptionally and depending on the circumstances, be prepared to give you more time
- deliver as much of the information as you can by the filing date. Where necessary estimate an entry rather than delay delivering the return (see the note about estimated figures under 'About this return').

Which form do I use?

Version 2 forms *CT600* were first published in November 2004 and have now been updated for 2007. The 2007 print includes entries to cover measures introduced in FA 2004, 2005, 2006 and 2007. You should use the Version 2 forms *CT600* if you are making a return covering a period ending after 17 March 2004 (the date of the 2004 Budget). You cannot mix Version 1 and Version 2 forms *CT600* or Supplementary Pages.

The Version 2 forms are:

- Company short tax return form, *CT600 (Short) (2007)* – a 4-page form
- Company tax return form, *CT600 (2007)* – an 8-page form.

Who can use the 4-page return form *CT600 Short (2007)*?

Most companies with straightforward tax affairs including small businesses and clubs can now use the *CT600 Short*, provided the form has all the entries you need to make. The only Supplementary Pages you can use with the *CT600 Short* are those covering

- loans to participators by close companies, form *CT600A* (a participator is any person who has a share or interest in the capital or income of the company or who is a loan creditor),
- charities and community amateur sports clubs, form *CT600E*, and
- the disclosure of tax avoidance schemes, form *CT600J*.

Who cannot use the 4-page return form and must use the 8-page return form *CT600 (2007)*?

Companies with less straightforward tax affairs must use the full *CT600* as only it has all the entries you will need. In particular the following types of companies, or those having any of the items in the list below, must use the full return form and any appropriate supplementary pages, including the *CT600A*, *CT600E* or *CT600J*.

- Any company that has an interest of 25% or more in a non-UK company controlled from the UK, unless the controlled foreign company satisfies the Excluded Countries Regulations. You also need to complete the Controlled Foreign Companies Supplementary Pages, form *CT600B*.
- Any group or consortium company claiming or surrendering any amount under the group or consortium relief provisions, or eligible unrelieved foreign tax. You also need to complete the Group and Consortium Supplementary Pages, form *CT600C*.
- An insurance company (or friendly society) having business treated as overseas life assurance business, or having had any provisional repayment of income tax borne by deduction (before 1 October 2001) or tax credits (in respect of distributions made before 6 April 2004). You also need to complete the Insurance Supplementary Pages, form *CT600D*.
- A company operating ships and electing for tonnage tax regime. You also need to complete the Tonnage Tax Supplementary Pages, form *CT600F*.
- A company claiming relief under the corporate venturing scheme (CVS) or community investment tax relief. For CVS you also need to complete the Corporate Venturing Scheme Supplementary Pages form *CT600G*.
- A company making royalty payments overseas
 - after 1 October 2002 where it reasonably believes that the recipient of the royalties would be entitled to relief under a double taxation treaty, or
 - after 31 December 2003 (or the later date of the day before new EU members joined after 31 December 2003) to an associated company in another member state of the EU where it reasonably believes that the owner of the royalties is exempt from UK tax on those payments.
 You also need to complete the Cross-border Royalties Supplementary Pages, form *CT600H*.
- For any period beginning on or after 17 April 2002, a company carrying on a ring fence trade in connection with oil extraction activities. You also need to complete the Supplementary charge in respect of ring fence trades Supplementary Pages, form *CT600I*.
- A group company surrendering, or having surrendered to it, a refund under S102 FA 1989.
- Any company
 - that is large and is liable to pay its corporation tax in instalments. Broadly a company is large in this context if its profits are at a rate that exceeds the Upper Relevant Maximum Amount (which was £1.5m at the time this *Guide* was published)
 - that is a member of a Group Payment Arrangement
 - whose profits are charged at more than one rate of tax in any financial year
 - that has annuities, annual payments and discounts, not arising from loan relationships and from which tax has not been deducted
 - with overseas income or losses
 - that has income not arising from loan relationships but from which income tax has been deducted
 - with non-trading gains or losses on intangible fixed assets
 - that has interest distributions by authorised unit trusts
 - that has business premises renovation or non-trading special leasing capital allowances
 - that claims relief for non-trade deficits on loan relationships and derivative contracts
 - that claims relief for Schedule A losses against other profits
 - claiming double taxation relief
 - having expenditure on research and development (including vaccines research), films, land remediation or for life assurance tax credit
 - that has losses under Schedule D Case VI
 - that is an investment company and claims capital allowances for the purposes of management of the company.

Where can I get the forms I need?

If you do not use Corporation Tax Online to complete and deliver your return, or an approved software substitute form, both of which will do the calculations for you, you can download copies from our website or get paper copies by telephoning the Orderline on **0845 300 6555** (or fax **0845 300 6777**). Make sure you make a note of the name and number of the form you want before you call. The Orderline is open seven days a week from 08.00 to 22.00. **Local offices do not hold stocks of forms.**

What we do when the return is received

We will process the return, based on your figures, and record the amount you have shown in the return as the tax due for this period. At that stage we will acknowledge receipt of the return.

If you need to amend the return you can do so

- within 12 months of the filing date
- in the case of a return for the wrong period, within 12 months of what would be the filing date if the period for which you made the return was an accounting period.

You can give details of the changes by letter or schedule, provided you

- include a declaration that the information is correct and complete to the best of your knowledge and belief, and
- are authorised by the company and sign (and date) the letter or schedule.

We can amend the return, or the amended return, to correct obvious errors or omissions (whether errors of principle, arithmetical mistakes or otherwise). We must do this within nine months of the date you delivered the return or made amendments. If you do not agree with a correction notice you cannot appeal against it but you can amend your return, if you are in time to do this. If you are out of time to amend your return but are still within three months of the date of issue of the correction, you can give notice, in writing, to the person who issued the correction notice, rejecting the correction.

We may enquire into the company tax return if we give you notice of our intention to do so

- within 12 months of the filing date, for a return in respect of an AP ending before 1 April 2008 or in respect of any AP of a company that is a member of a group other than a small group, provided the return is delivered on or before the filing date, or
- for APs ending after 31 March 2008, within 12 months of the day on which the return was delivered, for most companies provided the return was delivered on or before the filing date, or
- by 31 January, 30 April, 31 July or 31 October next following the first anniversary of the day on which a return was delivered late, or an amendment was made.

Completing the company tax return form

From this point onwards notes are specific to entries you may need to make on the return form and follow the order in which the boxes appear on the form CT600. References to the website mean **www.hmrc.gov.uk** unless otherwise shown. There is a list of the abbreviations we use on page 2 of this *Guide*. We also use darker shading to tell you which notes apply only to entries on the full form CT600 but not the short form. Not all the box numbers appear on the short form.

When completing a form use permanent ink and make no entry unless you have figures to enter. Do not enter zeros unless we ask you to do so. We advise you to keep a copy of the completed return form for your records.

Company information**Company name**

This is the name registered, or if not registered, the name in its constitution or rules. This could be an abbreviated name that you have agreed with us if the company name is very long.

Company registration number

As recorded at Companies House, if registered.

Tax Reference

Enter the first 13 digits from the 'Reference' as shown on the *Notice* form CT603.

Type of company

Special tax rules apply to different classes of companies. The reason for this note is to point out to you the most common rules applying and give you some advice about other types. We cannot cover them all here. If you have any concerns then please contact your advisor, look on our website, or contact your local office.

Most companies will not need to make an entry. Only make an entry here if one of the following descriptions, numbered 1 to 10 below, applies to the company. Enter the appropriate number in the box provided; otherwise leave the box blank.

- 1 - Unit trust or open-ended investment company - *taxed at special rate as shown in the table on page 24 of this Guide*
- 2 - Close investment-holding company - *taxed at the full rate of corporation tax*
- 3 - Company in liquidation - *taxed at full rate for any period following the first year in liquidation*
- 4 - Investment trust with housing investment profits - *different rates may apply to different types of profit*
- 5 - Insurance - *different rates may apply*
- 6 - Members' club or voluntary association - *there is special treatment for some types of clubs and associations*
- 7 - Property management company - *there is special treatment for some types of property management companies*
- 8 - Charity or owned by a charity - *there is special treatment for some types of charities*
- 9 - Real Estate Investment Trust C - residual company - *there are special rules for these types of companies*
- 10 - Real Estate Investment Trust C - tax-exempt company - *there are special rules for these types of company.*

note continues on page 7

Type of company (continued)	Other types (you do not need to make any entries for these types) Close – a company is, generally speaking, close if it is under the control of five or fewer participators or of participators who are directors (a participator is any person who has a share or interest in the capital or income of the company or who is a loan creditor) - <i>special rules may apply particularly on loans to participators.</i> Group or consortium - <i>there are rules particularly for rates of tax charged, and group relief.</i> Associated – a company is treated as being associated if, generally speaking, one company has control over the other or both are under the control of the same person or persons - <i>rates of tax charged may depend on the number of associated companies.</i>
Registered office address	Do not complete this box if the correct registered office address is as shown on the <i>Notice</i> (form CT603). If the address has changed and you have not told us already then enter the new registered office (or Treasurer's address if not registered). Do not enter the trading office address.
About this return	
Period of the return	This must be for an AP, unless there is no AP ending during or at the end of the period shown on the <i>Notice</i> you received. The return cannot cover a period of more than 12 months. If your accounts cover a period longer than 12 months, send in two or more returns covering the APs or other return periods for which returns are needed. See notes about APs on pages 3 and 4.
Repayments this period	Put an 'X' in this box if you think a repayment is due for this period. See notes on Overpayments and Repayments on pages 21 to 23.
Repayments earlier period	Put an 'X' in this box if you think a repayment is due for an earlier period. See notes on Overpayments and Repayments on pages 21 to 23.
Making more than one return now	Put an 'X' in this box if you are making more than one return for this company at the same time. This will help us to deal with the returns in the right order.
Estimated figures	If you have used estimates put an 'X' in this box. 'Estimated figures' include - entries based on valuations that use estimated figures - entries that contain estimates because you • do not have adequate records, or • are waiting for information from a third party. Please tell us why you have used an estimated figure. If you intend to replace an estimated figure at a later date tell us when you expect to be able to finalise the figure. A company may be liable to a penalty for an incorrect return where an estimated figure is not the best estimate based on all the information available at the time the return is made, or an estimated figure is not replaced by a more accurate figure when available. It is a serious offence to understate a company's profit. The penalties for doing so can be 100% of the tax lost. You, or the company, or its directors may be prosecuted if you make false statements in the return or omit particulars from it.
Company part of a group that is not small	For returns relating to APs ending after 31 March 2008 there are changes to the rules governing the time limit within which HMRC can open an enquiry into a company tax return. See 'What we do when the return is received' on page 6. In this context the words 'group' and 'small group' have the same meaning as in Sections 383(2) and 474(1) of the Companies Act 2006. We ask a company that is a member of a group that is not small to put an 'X' in this box.
Disclosure of avoidance schemes	Rules in FA 2004 require any company party to any notifiable arrangements to include in its return - any reference number notified to it, and - the time when it obtains or expects to obtain a tax advantage. There is more information on our website. Put an 'X' in the box if you need to disclose that you have used or are using avoidance schemes. You must also complete the Disclosure of tax avoidance schemes Supplementary Pages, form CT600J.
Transfer pricing - compensating adjustment or qualifying for SME exemption	There are changed rules governing transactions, including loans or loan guarantees, between connected businesses, and profits or losses arising on or after 1 April 2004, known as transfer pricing and thin capitalisation rules. Small and medium-sized enterprises (SMEs) do not have to apply these rules when they calculate their self-assessment of tax payable, except in relation to transactions with connected businesses in certain territories outside the EU. In this context a SME is a group of businesses employing less than 250 people worldwide, with a global turnover of less than €50m (£34m) and/or a balance sheet total less than €43m (£29m). We are asking businesses qualifying for this exemption to confirm their eligibility by putting an 'X' in the SME exemption box. Other businesses, those outside the SME definition, are required to apply transfer pricing and thin capitalisation rules in relation to all transactions with connected businesses, including those entirely within the UK. Where a business is required to make a transfer pricing adjustment for a UK to UK transaction with a connected business, then that other business will be able to make a claim to assess its profits and losses on a consistent basis, by making a compensating adjustment. We are asking companies affected to put an 'X' in the compensating adjustment claimed box. There are more details on our website at www.hmrc.gov.uk/international

Accounts and Computations	Put an 'X' in the appropriate box if you are sending accounts for the same period or a different period. If there are no accounts say why not in the space provided.
Supplementary Pages	Put an 'X' in the appropriate box(es) to show which Supplementary Pages have been completed and are included with the return.

Company tax calculation

Turnover boxes 1 and 2

1. Total turnover from trade or profession	Enter the total trading or professional turnover from any source where profits are going to be shown in box 3. Members' clubs and voluntary associations will not have to make any entry unless, unusually, there are trading profits or losses to be entered on the <i>CT600</i> for this period. Enter whole figures only. Financial concerns that do not have a recognised turnover need not complete box 1.
2. Banks, building societies and insurance companies (Full form CT600 only)	Financial concerns that do not have a recognised turnover figure should indicate this fact by putting an 'X' in box 2, and should not complete box 1. Investment companies and Unit Trusts need not complete box 1 or box 2.

Income boxes 3 to 15

3. Trading and professional profits	Complete the box if the company carried on one or more trade in the AP, or has to be treated for tax purposes as doing so. You should supply a separate calculation of the profit or loss for each such trade. It should show - any adjustments made to the figures in the company's accounts to arrive at the amount of profit or loss - any capital allowances or balancing charges included in the calculation of the profit or loss. Enter the total of all the profits in box 3 including any share of partnership profit. Enter the total of all the losses in box 122. Leave box 3 blank if there is an overall trading or professional loss and send in a calculation of the loss.
4. Trading losses brought forward	You should complete box 4 if - there are profits in box 3, and - the company has unrelieved trading losses from earlier periods available to set against profits from the same trade. Where - the losses brought forward are more than the profits of the trade entered in box 3, only enter enough losses to cover the trading profit - more than one trade is carried on, provide the profit figure for each trade and the loss set off against each. Where the company carried on (or is treated for tax purposes as carrying on) more than one trade, you should attach a calculation to show that the losses brought forward are being deducted only from the profits of the same trade (or deemed trade). You should not include any losses for which you are claiming tax relief under other provisions. If the amount of a loss, or a part of it, was found by computing and expressing it in a currency other than sterling for the period in which it was incurred, the amount to be entered in box 4 should be, or include, the sterling equivalent of that currency loss found by using the same exchange rate as is used to compute the sterling profits entered in box 3.
5. Net trading and professional profits	Box 3 minus box 4. Leave blank if you did not put a figure in box 3. Put '0' if the entry in box 4 equals the entry in box 3.

6. Banks, building society or other interest, and profits and gains from non-trade loan relationships, exchange fluctuations, certain financial instruments and derivative contracts	Do not use these boxes for amounts treated as trading receipts or expenses; include those in boxes 3 to 5 and 122. Only complete these boxes if the company has net non-trading profits, gains or losses (known as deficits) in the following areas. You will need to complete the full return form <i>CT600</i> if you are claiming relief on deficits from this, earlier or later accounting periods. - Loan relationships - all interest, and, for accounting periods beginning on or after 1 October 2002, exchange rate fluctuations on any money debt, and all other profits and losses from non-trading loan relationships. Loan relationships include deposits and investments in securities. - Exchange-rate fluctuations - in relation to monetary (described in the legislation as 'qualifying') assets and liabilities (S153 FA 1993), and to currency contracts (S126 FA 1993) for accounting periods beginning before 1 October 2002. - Certain financial instruments - referred to as 'qualifying contracts' in legislation, applicable for accounting periods beginning before 1 October 2002 (S149 -150 FA 1994). - Derivative contracts - include profits and losses on derivative contracts within Sch 26 FA 2002 for accounting periods beginning on or after 1 October 2002. The main contracts not within this Schedule are ones where the underlying asset is land, chattels (except commodities), intangible fixed assets and (normally) shares. Combine all the company's credits and debits within the areas described above into a single net figure of profit or deficit. In calculating a profit figure take into account any non-trading deficits brought forward or back from other periods. If there is a net profit, enter the figure in box 6.
7. Net of carrying back a deficit (Full form CT600 only)	If the profit is shown net of a deficit carried back from a later period put an 'X' in box 7 as well. If there is a net deficit leave box 6 blank. If there is a net deficit complete box 125, leave box 6 blank and consider making a deficit relief claim under S83 FA 1996 which gives you the following options: - set all or part of the deficit against total corporation tax profits for this AP (S83 (2)(a)). Enter the amount in box 28 - surrender all or part of the deficit as group relief (S83 (2)(b)). Enter the maximum available to surrender in box 126 and complete details of the surrender in the Group and Consortium Supplementary Pages, form <i>CT600C</i> - carry back the net deficit (after deduction of any claims under S83 (2)(a) and (b) as above) against earlier profits in the three areas - that is, against previous box 6 entries (S83(2)(c)). We will accept entries in a computation as a claim provided these identify the accounting period in which the deficit arose - set all or part of the deficit against non-trade profits (that is, the total of boxes 6 to 15 plus box 18) of the next accounting period. Enter the amount in box 20 of the return for the next accounting period Any part of a net deficit brought forward from the previous accounting period can be included at box 20, but please note that the total amount entered here cannot exceed the sum of boxes 6 to 15 plus box 18.
8. Annuities, etc. (Full form CT600 only)	Enter the amount of any annuities, annual payments and discounts not included in box 6 and from which income tax has not been deducted.
9. Overseas income within Sch D Case V (Full form CT600 only)	Overseas income within Sch D Case V. Complete Losses, deficits and excess amounts section if there is a loss.
10. Income from which income tax has been deducted (Full form CT600 only)	Enter the gross amount before tax and exclude any amount included in box 6. Income received under deduction of income tax is chargeable to corporation tax. Dividends and other distributions from companies resident in the UK are not chargeable to corporation tax. If you are in doubt, the voucher supplied by the paying company will show what kind of income has been paid. Where the total figure - includes different kinds of income which are dealt with differently in the company's accounts or - is not immediately recognisable from the accounts you should attach your calculations to show how you have arrived at your figures.
11. Income from UK land and buildings	Except for insurance companies (see Ss 432A and 441B(2A) ICTA 1988), lettings from all UK furnished and unfurnished property are treated as a single Schedule A business. If, however, the company lets some property in its own right and some in partnership with others, income from the sole letting and from each partnership will be treated as income of a separate Schedule A business. Receipts and expenses cannot be counted twice. Your calculations should show - any adjustments made to the figures in the company's accounts to arrive at the amount of income assessable - any capital allowances deducted or balancing charge added in the calculation of income. Send in a calculation to show - any adjustments made to the figures in the company's accounts to arrive at the amount of income assessable <i>note continues on page 10</i>

	- any capital allowances deducted or balancing charge added in the calculation of income. Enter the net figure, after deductions and any allowable expenses. If there is a loss, make no entry in box 11 but enter loss details in box 127, any relief at box 26, and the maximum available as group relief at box 128 (full return only). You will also need to complete Group and consortium Supplementary Pages, form CT600C for any surrender.
12. Non-trading gains on intangible fixed assets (Full form CT600 only)	Where chargeable intangible fixed assets are created or acquired on or after 1 April 2002, Sch 29 FA 2002 gives the rules for the taxation of any gains or relief for any losses. Intangible fixed assets, subject to some exceptions, include goodwill and intellectual property such as patents, trade marks, registered designs, and copyright together with licences to exploit such assets and other intangible assets, such as agricultural and fishing quotas. Sch 29 details the inclusions and exceptions. Where such assets are held for the purpose of a trade or a property business, the taxable and relievable amounts are taken into account in establishing the profits or loss under those headings. Where they are not so held, the taxable and relievable amounts are aggregated in a single pool to produce a net non-trading gain or loss under Case VI of Sch D. The dedicated boxes on this form, except box 97, relate to non-trading intangible assets. Enter any aggregate non-trading gain in box 12. You need to complete boxes 29, 132 and 133 if you have an aggregate non-trading loss. Non-trading losses can be set against current year total profits of the company or, to the extent that they exceed gross profits (as defined by S403ZE ICTA 1988), surrendered by way of group relief.
13. Tonnage tax profits (Full form CT600 only)	Complete and attach Tonnage tax Supplementary Pages, form CT600F. Copy the figure from box F10 to box 13.
14. Annual profits and gains not falling under any other heading	Include in box 14 any other profits or gains chargeable to tax not otherwise included under any other heading. You should attach a separate calculation for each source of income. It should show - any adjustments made to the figures in the company's accounts to arrive at the amount of income assessable - any capital allowances deducted or balancing charge added in the calculation of income.
15. Income within Sch D Case VI total (Full form CT600 only)	Enter the total of boxes 12 to 14 in this box.

Chargeable gains - boxes 16 to 18

16. Gross chargeable gains	Enter the total gains in this period. If there were no gains, leave this box blank and also leave boxes 17 and 18 blank. Enter the details of the losses in box 131. If you make an entry in box 16, 17 or 131 you should attach calculations of each chargeable gain and allowable loss to show how your entries have been arrived at. Include full details and any claims or elections.
17. Allowable losses, including losses brought forward	Only enter a figure if you have an entry in box 16. The figure you enter in box 17 must not be greater than the figure in box 16.
18. Net chargeable gains	Net chargeable gains are made up of the gross chargeable gains of the AP <i>minus</i> - any allowable losses of the same period - any unrelieved allowable losses brought forward. Enter the sum of box 16 minus box 17. If the figures are equal, enter '0'. You cannot enter a negative figure in box 18. Leave blank if there is no figure in box 16.

Deductions and reliefs and profits chargeable to corporation tax - boxes 19 to 37

19. Losses brought forward (Full form CT600 only)	Enter the figure of losses brought forward allowed against certain investment income (S393 (8) ICTA 1988) which would otherwise have been treated as trading income.
20. Non-trade deficits on loan relationships, and derivative contracts (Full form CT600 only)	The amount you enter here cannot exceed the total of boxes 6, 8, 9, 10, 11, 15 and 18. Any part of a net deficit brought forward from the previous accounting period can be included in the total you enter at box 20. If the amount of a deficit, or a part of it, was found by computing and expressing it in a currency other than sterling, the amounts you enter in box 20, and 125 as appropriate, should be, or include, the sterling equivalent of that currency deficit - for the entry at box 20 found by using the same exchange rate as used to compute the sterling profits in box 6 - for the entry at box 125 even though the amount carried forward may be expressed in that other currency.

21. Profits before other deductions and reliefs	This is a running total. Use the guidelines above the box to calculate this figure.
Deductions and reliefs	
22. CVS loss relief, and losses on unquoted shares (Full form CT600 only)	Enter here any losses under either the corporate venturing scheme or on unlisted shares under S573 ICTA 1988.
23. CVS loss relief indicator (Full form CT600 only)	Put an 'X' in box 23 if the entry in box 22 includes CVS loss relief. Complete and attach the Corporate Venturing Scheme Supplementary Pages form CT600G.
24. Management expenses under S75 ICTA 1988	From 1 April 2004 relief for the expenses of managing investments is available to all companies with investment business. Non-resident companies may also obtain relief for the costs of managing investments through their permanent establishments in the UK. If any amount of the expenses of management for an earlier period was found by computing and expressing it in a currency other than sterling, the amount to be entered in box 24 should be, or include, the sterling equivalent of the expenses in that currency found by using the same exchange rate as is used to compute the income against which the expenses are set.
25. Interest distributions (Full form CT600 only)	Applies only to authorised investment funds (authorised unit trusts and open-ended investment companies) for APs beginning before 1 April 2006 who can make a deduction either - in computing total profits after the deduction of expenses deductible in computing profits, apart from management expenses, either before or after the deduction of management expenses, or - against total profits as reduced by any other relief from tax or against total profits not so reduced. The amount is allowed as a deduction in the AP in which falls the last day of the distribution period. The amount at box 25 cannot exceed either - the amount of interest distributions shown by the accounts for the distribution periods that end in this return period plus any excess brought forward from an earlier period, or - the profits shown in box 21. Attach a computation showing how you arrived at the amount. Any excess interest distribution can only be carried forward to the next AP and deducted there. The excess is calculated as the excess brought forward from an earlier period plus the amount on which relief is due for distribution periods ending in this period, minus the amount set off for this period. Enter the figure for any such excess in box 138.
26. Schedule A losses (Full form CT600 only)	If you make a Schedule A loss, you can set that loss against your total profits for the period by entering the figure at box 26.
27. Capital allowances for the purposes of management of the business (Full form CT600 only)	These are capital allowances for the purposes of management of the business (under S253 CAA 2001) and apply to investment companies only. You also need to include these figures in the total of non-trade capital allowances and balancing charges you enter in boxes 115 and 116.
28. Non-trade deficits for this accounting period (Full form CT600 only)	If there is a net deficit, you can claim to set all or part of the deficit against total corporation tax profits for this accounting period (S83(2)(a) FA 1996). Enter the amount in box 28 and do not forget to show the total deficit at box 125.
29. Non-trading losses on intangible fixed assets (Full form CT600 only)	Where chargeable intangible fixed assets are created or acquired on or after 1 April 2002, the rules in Sch 29 FA 2002 apply to any losses. Enter the figure of loss you are claiming here and the full loss at box 132.
30. Trading losses of this or a later AP	Enter the total reliefs you claim to set against profits under S393A ICTA 1988. The entry may include claims for more than one accounting period. The law does not provide any special format for S393A ICTA 1988 claims, but we will accept entries made on the return form or in a computation as a claim provided these identify the accounting period(s) from which the trading loss originates. If the company carries on more than one trade, you must also identify the trade giving rise to the loss you are claiming. You also need to complete box 122 for amounts arising in this return period (but not later).

31. Amounts carried back from later AP indicator box	Put an 'X' in box 31 if amounts carried back from later accounting periods are included in box 30.
32. Non-trade capital allowances	These are excess non-trade capital allowances under S260(3) CAA 2001. You also need to include any figures of non-trade capital allowances and balancing charges in boxes 115 and 116.
33 and 34. Total of deductions and reliefs, and profits before charges and group relief (Full form CT600 only)	The total figure of deductions and reliefs cannot be more than the figure you entered at box 21. Use the guidelines above the boxes to calculate these figures.
35. Charges paid	The entry in box 35 must not be greater than profits after the offset of any deductions and reliefs that you have taken into account before charges. 'Charges' has a special meaning for corporation tax. Charges do not include any amount that is deductible in calculating any kind of income or gains or any distribution by the company, such as a dividend. Charges can include - annuities and other annual payments from which income tax is deductible on payment - certain donations to charity which are paid out of profits chargeable to corporation tax. There are important qualifications to the above definitions, covering such matters as - payments to non-residents (S338(4) ICTA 1988) - payments charged to capital, not ultimately borne by the company, or not made for full consideration (S338(5) ICTA 1988) - donations to charity (S339 ICTA 1988, as amended by FA 2000) - gifts of certain shares and securities to charities after 31 March 2000 (S587B ICTA 1988) - gifts of real property to charities after 31 March 2002 (S587B & C ICTA 1988) - interest distributions from authorised unit trusts and open-ended investment companies (S468L(5) ICTA 1988).
36. Group relief (Full form CT600 only)	You should complete this box, and the Group and Consortium Supplementary Pages, form CT600C, if the company claims group relief. The figure you enter cannot be more than box 34 minus box 35. You will need to deliver an amended return within the time limit if the company subsequently wishes to make new or amended group relief claims.
37. Profits chargeable to corporation tax	This is the figure from which you calculate the company's tax liability. Follow the guidelines shown above the box on the form.
169. Ring fence profits included (Full form CT600 only)	For companies with ring fence profits (broadly income and gains from oil extraction or oil rights in the UK or UK Continental Shelf) this is the figure of ring fence profits included in the amount entered at box 37.

Tax Calculation - boxes 38 to 70

Corporation tax (CT) is chargeable for the company's accounting period (AP) but by reference to rates of tax and limits for reliefs that apply by reference to a financial year (FY) starting on 1 April and ending on the following 31 March. The advice below will help you to calculate the tax correctly.

38. Franked investment income	Enter in box 38 the amount of franked investment income (FII) received by, and up to 5 April 1999 any foreign income dividends (or deemed FIDs) arising to, the company during the AP covered by the return. FII is the amount of the distribution or dividend received (including any amount of tax credit) from a company resident in the UK. Leave out income in relation to distributions made by certain other companies within the same group or by certain consortia companies (S13(7) ICTA 1988).
39. Number of associated companies in this period	Provide this information if the company claims to be charged at the starting rate or the small companies' rate on any part of its profits, or is claiming marginal rate relief. The table on page 24 shows the rates of tax and the upper and lower limits for marginal relief known at the time this <i>Guide</i> was published. Enter in box 39 the number of companies (excluding this company) that were associated with the company at any time during the AP covered by the return. A company is associated if one has control of the other or both are under the control of the same person or persons. A company may be associated no matter where it is resident for tax purposes. If there are no associated companies, you must enter '0'. You will only need to use boxes 40 and 41 instead of box 39 if all of the following apply: - the AP straddles two financial years <i>and</i> - the upper or lower limit for any relevant marginal relief has varied <i>and</i> - the number of associated companies was different in the parts of the AP falling into the two financial years.

40 and 41. Associated companies in the first and second financial years

See note for box 39 and only enter the number of associated companies in the first or second financial year if you need to.

42. Starting or small companies' rate indicator

Put an 'X' in this box if the company claims to be charged at the starting rate or the small companies' rate on any part of its profits, or is claiming marginal rate relief. See the table on page 24 of this *Guide* for details of the rates and limits and who can claim.

Profits, rates and tax - boxes 43 to 62

If the company's AP ended on 31 March (or else fell wholly within a single financial year), you may

- show the financial year at box 43
- enter all the chargeable profits in box 44
- enter the rate of tax at box 45
- enter all the tax chargeable in box 46.

You may also do this if the company's AP straddled two financial years and the same corporation tax rate applied during both, again using the first financial year line only.

If the company's AP straddled two financial years and different corporation tax rates applied in each, you should divide the chargeable profits on a time basis (in days **not** months) between boxes 44 and 54.

The following table gives the number of days in a month to be used when calculating the profits between financial years, where the AP starts at the beginning and ends at the end of a month.

April 30	August 31	December 31
May 31	September 30	January 31
June 30	October 31	February 28 (29 in a leap year)
July 31	November 30	March 31

For example, if the accounting period was, say, the year to 31 May 2006, you would apportion the profits as follows:

Financial year 2005 $\frac{304}{365} \times \text{£xx}$

Financial year 2006 $\frac{61}{365} \times \text{£xx}$

Then you enter the relevant rates of tax in boxes 45 and 55 and can calculate the tax chargeable (before any marginal rate relief you want to claim) in boxes 46 and 56.

The table on the back page of this *Guide* shows the rates of tax (and limits) you need to use.

Boxes 47 to 52 and 57 to 62 (additional boxes on the full form CT600) provide for exceptional cases, such as companies with ring fence profits, where different rates of tax may be chargeable on different parts of the profits. In these types of cases you should attach a calculation to show how you have divided the amounts chargeable to tax for each financial year between the different rates of tax. You should leave these boxes blank where these circumstances do not apply.

63. Corporation tax chargeable

This is the total gross corporation tax chargeable. Use the guidelines above the box to calculate this figure.

64. Marginal rate relief

You must attach your computation if you make any entry in this box. There is a calculator available on our website if you need it to work out how much relief is due. If you are making the calculation yourself the table on page 24 gives you the limits and fractions and the formulas to use are given below.

For calculating marginal starting rate relief the formula is:

$(R2 - P) \times I/P$ where R2 is the second relevant amount, P is the figure of profits chargeable to tax plus any franked investment income, and I is the figure of profits chargeable to tax. You then multiply the answer by the fraction for marginal starting rate relief.

For calculating marginal small companies' relief the general formula is:

$(M - P) \times I/P$ where M is the upper relevant maximum amount, P is the figure of profits chargeable to tax plus any franked investment income, and I is the figure of profits chargeable to tax. You then multiply the answer by the fraction for marginal small companies' relief.

From 1 April 2007 for companies with ring fence profits there are separate calculations for the ring fence and the remaining amounts. The 'ring fence amount' is found by taking $(MR - PR) \times IR/PR$ where MR is the sum equal to the 'appropriate fraction' of the upper relevant maximum amount, PR is so much of the profits for the AP as consist of ring fence profits and IR is so much of the basic profits for the period as consist of ring fence profits. Multiply the answer by the ring fence fraction. The 'appropriate fraction' in the context of 'ring fence amount' is the fraction of the profits for the AP that consists of ring fence profits.

The 'remaining amount' is found by taking $(MNR - PNR) \times INR/PNR$ where MNR is the sum equal to the 'appropriate fraction' of the upper relevant maximum amount, PNR is so much of the profits for the AP as do not consist of ring fence profits, and INR is so much of the basic profits for that AP as do not consist of ring fence profits. Multiply the answer by the standard fraction. The 'appropriate fraction' in the context of the 'remaining amount' is the fraction of the profits for the AP that does not consist of ring fence profits.

If there are other companies associated to yours, the limits are apportioned equally between the total number of associated companies (including this one). The limits are also reduced for periods of less than a year.

65. Corporation tax net of marginal rate relief

Enter the total of box 63 minus box 64.

Non-corporate distributions - boxes 66 to 69

What does the term 'non-corporate distribution' mean?

In this context 'distribution' not only includes dividends but any other distribution out of a company whether in cash or otherwise. A non-corporate distribution (NCD) is one made to anyone other than a company.

Is the company affected by the NCD legislation?

Only companies that

- would otherwise charge their profits at starting rate (0%), or at small companies' rate with marginal starting rate relief, or at a rate less than the NCD rate, and
- which have made NCDs, or are treated as having made NCDs, on or after 1 April 2004 and before 1 April 2006 need to make additional entries on their company tax return forms to charge the matched NCDs at the correct rate of tax, and any remaining profits at the underlying rate of tax. A company is treated as having made NCDs if it has excess NCDs of a group company allocated to it, or if it has any excess NCDs brought forward from an earlier AP.

If a company

- **only made distributions before 1 April 2004 or after 31 March 2006, or**
- **is chargeable at rates of tax equal to or greater than the NCD rate for a period ending on or after 1 April 2004 and up to, or straddling, 31 March 2006,**

then it does not have to do the calculation and can ignore boxes 66 to 69.

The NCD rate is shown in the table on the last page of this *Guide*. There is further guidance for APs straddling 1 April 2006 on our website, on the Corporation Tax pages under 'How do I calculate the tax a company has to pay?'.

66. Underlying rate of corporation tax	Calculate the underlying rate of tax by dividing the figure you put in box 65 (or box 63 if there is no entry in box 64) by that in box 37 and multiplying by 100. Round the result down to 2 decimal places and enter it in box 66. If the AP straddles 1 April 2006 take the figure you put in box 46 (tax on FY 2005 profits) less any entry you made in box 64 (marginal starting rate relief for FY 2005) divided by the figure you put in box 44 (the FY 2005 profits) and multiplied by 100.
67. Profits matched with non-corporate distributions	If the company made, or is treated as having made, non-corporate distributions on or after 1 April 2004, and before 1 April 2006, and the underlying rate of tax is less than the NCD rate, you must match profits to them. In following the calculation guide shown below, if the AP straddles 1 April 2004 or 1 April 2006, use the amount of total distributions and NCDs made in the particular AP after 31 March 2004, or before 1 April 2006, and the figure of profits chargeable to tax apportioned after 31 March 2004 for FY2004 (box 54), or before 1 April 2006 for FY 2005 (box 44). For APs that start on or after 1 April 2004 and end before 1 April 2006, use the total profit figure from box 37. If the total distributions are equal to or less than the amount of profit, or apportioned profit if appropriate, enter in box 67 the full amount of the NCDs. If the total distributions are more than the amount of profit, or apportioned profit if appropriate, match them as follows; Divide the NCDs by the total amount of all distributions made (or treated as made), multiply by your figure of profit (the box 37 figure, apportioned to FY 2004 (box 54) or FY 2005 (box 44) if straddling 1 April 2004 or 1 April 2006), and enter the resulting figure in box 67. Any NCD that cannot be matched with profits is an excess NCD and must be carried forward to the next AP (provided that AP starts before 1 April 2006) or, if you are a member of a group, allocated first, and if possible, to another group member with available profits. You do not need to carry forward any excess NCDs to an AP that starts on or after 1 April 2006.
68. Tax at non-corporate distributions rate	This is the figure you entered at box 67 multiplied by the NCD rate. The NCD rate is shown in the table on the last page of this <i>Guide</i> .
69. Tax at underlying rate on remaining profits	This is the figure of profits chargeable you entered at box 37 (or box 54 if AP straddles 1 April 2004, or box 44 if AP straddles 1 April 2006) minus the entry you made at box 67 for NCDs matched to profits, multiplied by the underlying rate of tax you entered at box 66.
70. Corporation tax chargeable	For an AP starting on or after 1 April 2004 and ending before 1 April 2006 this will be either the figure you put in box 63 less any entry in box 64 or, if greater, the total of any entries at boxes 68 and 69. For an AP that straddles 1 April 2006 it will be either the figure you entered at box 63 less any entry at box 64, or, if greater, the total of the entries you made at boxes 56, 68 and 69. For APs starting after 31 March 2006 this will be the figure you entered at box 63 less any entry at box 64.

Reliefs and deductions in terms of tax - boxes 71 to 77

71. CVS investment relief (Full form CT600 only)	Complete and attach the Corporate Venturing Scheme Supplementary Pages, form CT600G, and copy the figure from box G1 to box 71.
72. Community investment relief (Full form CT600 only)	Companies may be able to claim community investment tax relief, introduced by section 57 and Schedules 16 and 17 of FA 2002, on an investment for which they hold a tax relief certificate in a community development finance institution (CDFI). Tax relief on an investment may be claimed in the tax returns for up to five consecutive APs - the period in which the investment is made and the four immediately following APs in which fall an anniversary of the investment date. For each AP for which a valid claim can be made, the company's CT liability for the period is reduced by the smaller of - 5 per cent of the amount invested (and which has remained invested), and - the amount which reduces the company's liability to nil. This relief is available from 23 January 2003.

73. Double taxation relief <i>(Full form CT600 only)</i>	Enter any double taxation relief (DTR) claimed here but exclude any amount included in box 81.
74. Underlying rate relief claim indicator <i>(Full form CT600 only)</i>	Put an 'X' in box 74 if the entry in box 73 includes an underlying tax relief claim.
75. DTR amount carried back indicator <i>(Full form CT600 only)</i>	Put an 'X' in box 75 if the entry in box 73 includes any amount of DTR carried back from a later period.
76. Advance corporation tax <i>(Full form CT600 only)</i>	ACT was abolished on 6 April 1999. Any ACT not used on 6 April 1999 became unrelieved surplus ACT and can only be used after that date under the shadow ACT Regulations mentioned below. Enter only the amount of ACT in box 76 that can be set off against the company's liability to corporation tax under these rules. From 6 April 1999, companies with unrelieved surplus ACT or companies within groups where at least one member has unrelieved surplus ACT are within the shadow ACT scheme unless they have opted out. Where there is an opt out, companies will not be able to set off unrelieved surplus ACT against corporation tax in respect of profits of periods to which the opt out applies. Shadow ACT is a notional amount of ACT treated as paid by a company in respect of distributions made by it. It is set against the company's liability to corporation tax on profits chargeable for accounting periods ending after 5 April 1999, but it does not reduce the amount of that liability. It is set off before any unrelieved surplus ACT. The maximum amount of shadow ACT, unrelieved surplus ACT or a combination of both that can be set off is 20% of the company's profits charged to corporation tax for the period (or the CT payable if profits are charged at a lower rate). Unrelieved surplus ACT cannot be set off against CT relating to tonnage tax profits included in CT profits. There are special rules concerning carry-back of shadow ACT, allocation of shadow ACT to other group companies, carry-forward of shadow ACT to succeeding accounting periods and set-off of franked investment income. The rules about shadow ACT are in SI 1999 No.358 The Corporation Tax (Treatment of Unrelieved Surplus Advance Corporation Tax) Regulations.
77. Total reliefs and deductions in terms of tax <i>(Full form CT600 only)</i>	Enter the total of boxes 71, 72, 73 and 76. The figure cannot be more than the CT chargeable amount you entered in box 70.
Calculation of tax outstanding or overpaid - boxes 78 to 86	
78. Net corporation tax liability <i>(Full form CT600 only)</i>	Enter the total of box 70 minus box 77.
79. Tax payable under S419 ICTA 1988	Where in this period a loan has been made to a participator in a close company and the loan has not been repaid in the period, you need to complete and attach the Loans to participators by close companies Supplementary Pages, form CT600A. Enter in box 79 the figure from box A13. A close company is broadly a company - which is under the control of five or fewer participators, or - any number of participators if those participators are directors, or - more than half the assets of which would be distributed to five or fewer participators, or to participators who are directors, in the event of the winding up of the company. A participator is any person having a share or interest in the capital or income of the company.
80. Form CT600A box A11 completion indicator	Put an 'X' in this box if you have completed box A11 in the Supplementary Pages CT600A.
81. Tax payable under S747 ICTA 1988 <i>(Full form CT600 only)</i>	Complete and attach the Controlled foreign companies Supplementary Pages, form CT600B. Copy the total figure from column J to box 81.
82. Tax payable under S501A ICTA 1988 <i>(Full form CT600 only)</i>	Complete and attach the Supplementary charge in respect of ring fence trades Supplementary Pages, form CT600I. Copy entry in box I8 to box 82.
83. Tax chargeable <i>(Full form CT600 only)</i>	Enter the total of boxes 78, 79, 81 and 82.

84. Income tax deducted from gross income	This box covers income tax suffered by the company on investment income which it has received net of tax. You should not include any amounts used to offset payments the company has made under deduction of tax. The company is required to make a return of these payments on form <i>CT61</i> , the notes to which explain the position. You can only get form <i>CT61</i> and its notes from the Accounts Office. Please phone Cumbernauld 01236 785498 and have your tax reference ready.
85. Income tax repayable to the company	Complete this box if the entry in box 84 is greater than the total tax chargeable (box 70 plus box 79 on short form, or box 83 on full form <i>CT600</i>). You also need to complete the Overpayment and Repayment section.
86. Tax payable	This is your self-assessment of tax payable. Use the guidelines above the box to calculate this figure. You must enter this figure whether or not you have already paid any tax. Enter 0.00 if you calculate that there is no tax payable. Tax is due without assessment, and every return must by law include a self-assessment of the tax payable. Tax is normally due nine months and one day after the end of the accounting period, or on earlier instalment dates if you are a large company.

Tax reconciliation - boxes 87 to 94 and boxes 161 & 166

87. Research and development tax credit, or film tax credit <i>(Full form CT600 only)</i>	Enter the total credit claimed. See the notes about Research and Development (R&D) and films enhanced expenditure on page 17.
88. Land remediation or life assurance company tax credit <i>(Full form CT600 only)</i>	Enter the total credit claimed. See the notes about land remediation enhanced expenditure on page 18.
89. Research and development tax credit payable, or film tax credit payable <i>(Full form CT600 only)</i>	Cannot exceed the entry in box 87 as reduced by any liability you entered in box 86. You also need to complete the Overpayments and Repayments section.
90. Land remediation or life assurance tax credit payable <i>(Full form CT600 only)</i>	Cannot exceed land remediation tax credit in box 88. Enter the total of the entries at boxes 87 and 88 as reduced by the entries at boxes 86 and 89. You also need to complete the Overpayments and Repayments section.
161 & 166. Ring fence corporation tax and S501A supplementary charge included <i>(Full form CT600 only)</i>	These entries are for companies with profits from ring fence trades that need to complete Supplementary Pages CT600I
91. Tax already paid	You should enter the full amount of corporation tax already paid by the company and not repaid by HM Revenue & Customs for the AP covered by the return. See also the note for box 96 where the company is in a group payment arrangement. The tax shown here will usually have been paid without assessment. Do not include income tax already deducted from company income. You should have entered this in box 84.
92. Tax outstanding	The company should already have received a payslip specifically designed for use with this AP. One was attached to the <i>Notice</i> and we send out payslips with payment reminders. If you do not have a payslip you should send the payment to your Accounts Office with a letter showing the company's name, address and tax reference together with a note of the CT AP to which it relates. The letter should make it clear that the payment is a payment of corporation tax. The address to use is HM Revenue & Customs Accounts Office at either: Shipley Bradford BD98 8YY OR Cumbernauld Department Bradford BD98 8GG
93. Tax overpaid	Repayments of corporation tax and income tax are made quickly and safely by direct credit (BACS) to a bank or building society account. Complete the Overpayments and Repayments section and give the correct bank or building society details. You may need to consider whether you want small repayments made to the company or not. See notes for boxes 139 and 140.

94. Tax refunds surrendered to the company (Full form CT600 only)	S102 FA 1989 allows a group of companies to set a repayment due to one member of the group against the underpayment of another (or the underpayments of several others) for the same AP. This allows the group to rearrange its tax payments without suffering the net interest cost that would otherwise flow. Companies that pay by instalments can also surrender repayments in the same way under Regulation 9 of the Corporation Tax (Instalment Payments) Regulations 1998.
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Indicators - boxes 95 to 98

95. Instalment payments indicator (Full form CT600 only)	A large company, broadly one whose profits are at a rate that exceeds the Upper Relevant Maximum Amount (which was £1.5 million at the time this <i>Guide</i> was published) is liable to pay instalment payments. If the company has associated companies the limit is divided by the number of its associates plus one, and is also reduced if the period is less than a full year. Whether it did pay by instalments or not, a large company should put an 'X' in box 95. It helps if you complete boxes 39 to 41 to show the number of associated companies. Even if a large company's instalment payments were made through a Group Payment Arrangement (GPA) you should still enter an 'X' in box 95.
96. Group payment arrangement indicator (Full form CT600 only)	A company whose tax is paid through a group payment arrangement (GPA) should put an 'X' in box 96. If no GPA closure notice (form CT630) has been issued for the period, enter '0.00' in box 91 (tax already paid) and leave box 92 (tax outstanding) and box 93 (tax overpaid) blank. If, exceptionally, a GPA company is delivering its return after the GPA has been closed for the period put an 'X' in box 96, but enter in box 91 the amount of tax apportioned to the company under the GPA, plus any other amount paid directly by the company. You should then complete box 92 or 93 as appropriate. For all other entries all GPA companies should complete form CT600 in exactly the same way as if no GPA were in force. In particular box 86 must always show the calculation of tax payable (the self-assessment) and box 95 if liable to pay by instalments. The fact that tax is paid through a nominated GPA company does not affect these entries.
97. Written down or sold intangible assets (Full form CT600 only)	If the company has written down or sold intangible assets you should enter an 'X' in box 97. This applies to any intangible assets – whether held for the purpose of trading, property business or non-trading purposes.
98. Cross-border royalty payment indicator (Full form CT600 only)	If a company makes royalty payments overseas after 1 October 2002, and reasonably believes that the recipient would be entitled to treaty relief on any tax deducted, the company can make the payments without deduction of tax or at a rate as specified in the double taxation treaty appropriate to the country of residence of the payee. There are different rules for UK companies, or UK permanent establishments of EU companies, making royalty payments to an associated company in another Member State of the EU on or after 1 January 2004 (1 May 2004 for States joining the EU on that date). For these purposes companies are associated when one holds 25% or more of the capital or voting rights in the other or where a third company holds such an interest in both of them. If the UK company reasonably believes that, following the implementation of the Interest and Royalties Directive, the beneficial owner of the royalties is exempt from UK income tax on those payments, the company should make payment without deduction of tax. All UK companies that make such payments must complete the Cross-border royalties Supplementary Pages, form CT600H, as well as form CT600. All companies that make any cross-border royalty payment, whether or not under such reasonable belief, should also complete box 98.

Information about enhanced expenditure - boxes 99 to 104 (Full form CT600 only)

Research and Development (R&D) or films enhanced expenditure

All companies can claim an enhanced deduction of either 125% or 150% of qualifying R&D expenditure provided the actual expenditure is at a rate of at least £10,000 a year (£25,000 for expenditure before 27 September 2003 by a SME, and until 9 April 2003 for a large company). Expenditure of less than that rate qualifies for the normal 100% deduction. Qualifying R&D expenditure is, broadly, the cost of staff carrying out R&D work, and R&D consumable stores. Some payments for sub-contracted R&D also qualify.

- A small or medium-sized company, a **SME***, can claim a deduction of 150% of qualifying R&D expenditure incurred on or after 1 April 2000 on its own behalf (but not on R&D sub-contracted to it by someone else).
To make a claim put an 'X' in box 99 and enter 150% of the actual expenditure** in box 101.
- A **large company**, a company that is not a SME, can claim a deduction of 125% of qualifying R&D expenditure incurred on or after 1 April 2002 either on its own behalf or on work done for another non-SME.
To make a claim put an 'X' in box 100 and enter 125% of the actual expenditure** in box 101.
- A SME can **also** claim the 125% deduction on R&D it carries out which is subcontracted to it by a non-SME.
To make a claim put an 'X' in box 99 and enter 125% of the actual expenditure** in box 102.

note continues on page 18

Qualifying expenditure for the 150% deduction includes payments for R&D work subcontracted by the company to others. **Qualifying expenditure for the 125% deduction does not include these payments** (whether or not the company is a SME) unless the sub-contractor is a university, charity, NHS body, scientific research organisation or other similar body.

Any company, whether or not it is a SME, which is carrying out qualifying R&D into certain specified diseases may claim an **additional** deduction of 50% of qualifying expenditure on that R&D. This is called vaccines research relief (VRR).

- To claim this, enter 50% of the actual expenditure in box 103.

If a SME company has a trading loss for the accounting period, it may claim an **R&D tax credit**. This payment is equal to 16% of the lower of

- the loss, and
- the 150% deduction for R&D (the 125% deduction cannot generate a payable credit) but excludes any amounts that have been, or could be, set against other profits of the AP, or which are used as loss relief, or surrendered to a group or consortium company.

Under similar rules, a SME may claim a vaccines tax credit, based on the amount of VRR. Note that the total of a company's payable R&D and vaccines tax credit cannot be more than its PAYE and Class 1 NIC liabilities for payment periods ending in the AP.

You should include the 125% and, or, 150% deduction (plus, if applicable, the additional 50% vaccines deduction) in the computation of profit or loss entered in box 3 or 122.

Enter the total R&D and, or vaccines tax credit claimed in box 87. Enter the amount of the tax credit payable to the company, after set-off against any tax due, in box 89 and also in box 143.

** The definition of a SME in this context follows that adopted by the European Commission for State Aid purposes. Most companies are SMEs. The definition in force when this Guide went to press in August 2007 was operative for APs ending on or after 31 December 2005 and is as follows. Figures in brackets show the figures announced at Budget 2007 which will take effect when EC approval has been given and the relevant Treasury Order issued.*

Provided a company, together with any company in which it holds 25% or more of the capital or voting rights has, in the current or previous year,

- less than 25% of its capital or voting rights owned by an enterprise that is not a SME, and
- less than 250 (500) employees, and either, or both, of
- an annual turnover of not more than €50m, about £34m (€100m, about £68m), and an annual balance sheet total of not more than €43m, about £29m (£86m, about £58m) then the company is a SME.

*** This 125% or 150% is what we mean by 'enhanced expenditure'.*

Further details, including what qualifies as R&D expenditure, and any updates on the rates of allowance or the definition of a SME, are available on our website at www.hmrc.gov.uk/randd/index.htm or from your HMRC office.

For film tax relief please see separate details and guidance on our website at www.hmrc.gov.uk/films/index.htm .

167. Film tax relief claim made (Full form CT600 only)	Put an 'X' in box 167 if the company is making a claim for films expenditure.
99. R&D Claim made by a SME (Full form CT600 only)	Put an 'X' in box 99 if the claim is for R&D enhanced expenditure made by a SME, including a SME subcontractor to a large company.
100. R&D Claim made by a large company (Full form CT600 only)	Put an 'X' in box 100 if the claim for R&D enhanced expenditure is made by a large company.
101. R&D or films enhanced expenditure (Full form CT600 only)	For SMEs or large companies. Enter the enhanced expenditure figure on which the claim is based.
102. R&D enhanced expenditure of a SME on work sub-contracted (Full form CT600 only)	For SMEs only, where work is subcontracted to it by a large company. Enter the enhanced expenditure on which the claim is based.
103. Vaccines research expenditure (Full form CT600 only)	Enter the additional deduction under Paragraph 14(2)(a) or 21(2) of Sch 13 FA 2002.

Land remediation enhanced expenditure

104. Land remediation enhanced expenditure (Full form CT600 only)	For accounting periods ending on or after 1 April 2001 companies can deduct 150% of qualifying capital expenditure on land remediation in computing profits of a Schedule A business or a trade. Any 150% figure included in the computations should be entered in box 104, which is the formal claim for the enhanced expenditure. If the company has a qualifying land remediation loss it may claim a land remediation tax credit, calculated at 16% of the qualifying loss, which, if a claim is included in the return, may be paid to the company. There are parallel provisions for life assurance companies. Any claims should be shown, in boxes 88 and 90. Any payable credit should also be included at box 144 and the 'X' box completed on page 1 of the form CT600 to show that the company requires payment. The legislation that introduced the scheme and contains all the definitions and conditions to be satisfied before relief is claimed is in S70 and Sch 22 FA 2001.
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Information about capital allowances and balancing charges - boxes 105 to 121

You should complete this section of the return form, and include computations with the return, if the company is claiming any capital allowances or included any balancing charges in this return period. First year allowances are available for qualifying expenditure, for example, by small and medium-sized businesses, on energy-saving, water-efficient, information and communication technology, low emission vehicles, and flat conversion expenditure. You can get more details on the definitions and the qualifying types of investment from our website or through your local HMRC office.

Charges and allowances included in calculation of trading profits or losses

105-106. Machinery and plant - long life	Long-life assets are those with an expected working life when new of 25 years or more. The annual allowance is 6% a year. Enter the total allowances in box 105, and any balancing charges in box 106.
107-108. Machinery and plant - other assets	Enter the total allowances in box 107, and balancing charges in box 108; exclude any machinery and plant amounts covered by long-life assets or cars entries in boxes 105, 106, 109 and 110.
109-110. Cars outside general pool	Enter the allowances claimed in box 109 and balancing charges in box 110 for any cars not included in the general pool.
111-112. Industrial building and structures	Enter allowances and, or charges, as appropriate in boxes 111 and 112. Industrial buildings include qualifying hotels, and commercial buildings and hotels in enterprise zones.
162-163. Business premises renovation (BPRA, full form CT600 only)	This scheme took effect from 11 April 2007. A business can claim 100% allowance against expenditure incurred on the alteration, improvement, or repair to business premises located in an Assisted Area that have been unused for at least one year and will be available for business use after the works are complete. BPRA cannot be claimed if the expenditure has been incurred on residential properties or those commercial properties that will be used for farming, fisheries and aquaculture, the manufacture of imitation or substitute milk or milk products, the shipbuilding, steel, coal and synthetic fibres industries. For more details see the Capital Allowances Manual in the Library on our website.
113-114. Other charges and allowances	Enter allowances and, or charges, as appropriate in boxes 113 or 114. These entries cover any other trading assets not covered by the previous entries and include agricultural buildings, or patents.

Charges and allowances not included in calculation of trading profits or losses

115-116. Non-trading charges and allowances	Enter any figures of capital allowances or balancing charges for assets not used in a trade in box 115 or 116.
117. Flat conversion allowance indicator	Put an 'X' in box 117 only if the entry at box 115 includes flat conversion allowances or charges.
164-165. Business premises renovation (BPRA, full form CT600 only)	See notes for boxes 162-163 above.

Expenditure

118. Expenditure on machinery and plant	Enter here the total expenditure incurred in the chargeable period on which first year allowances are claimed.
119. Designated energy-saving investments indicator	Put an 'X' in box 119 if your claim includes enhanced capital allowances for energy-saving investments meeting the conditions on the Energy Technology or Products Lists at www.eca.gov.uk on the internet.
120. Qualifying expenditure on machinery and plant on long-life assets	Enter the total expenditure on long-life assets but exclude any amounts included in box 118.
121. Qualifying expenditure on machinery and plant on other assets	Enter the total expenditure on machinery and plant that is not a long-life asset, but exclude any amount entered in box 118 (expenditure on which first year allowance is claimed).

Losses, deficits and excess amounts - boxes 122 to 138

For the items listed below you need to include the figure of any loss arising, or excess, in your return. For the following items the note refers you to the governing legislation.

Arising, or excess

122. Trading losses Case I	Enter trading losses arising as calculated under S393 ICTA 1988. See also the notes for boxes 3 and 4.
124. Trading losses Case V	Enter losses arising on non-UK trading as calculated under S393 ICTA 1988.
125. Non-trade deficits on loan relationships and derivative contracts	Enter non-trade deficits on loan relationships and derivative contracts arising, as calculated under S82 FA1996. See also notes for box 6.
127. Schedule A losses	Enter losses arising from UK land and buildings under the rules of Schedule A, calculated under S392A ICTA 1988.
129. Overseas property business losses Case V	Enter overseas property business losses arising under Schedule D Case V, calculated under S392B ICTA 1988.
130. Losses Case VI	Enter any losses arising, calculated under S396 ICTA 1988.
131. Capital Losses	Enter capital losses arising, calculated under S16 TCGA 1992.
132. Non-trade losses on intangible fixed assets (Full form CT600 only)	Enter non-trading losses arising on intangible fixed assets, calculated under Schedule 29 FA 2002.
136. Excess management expenses	Enter the amount calculated under S75(3) ICTA 1988. If any amount of expenses of management was found by computing and expressing it in a currency other than sterling, the amount entered in box 136 should be, or include, the sterling equivalent of the expenses even though the whole amount may be carried forward expressed in other currency terms.
138. Excess interest distributions (Full form CT600 only)	Applies only to authorised investment funds (authorised unit trusts and open-ended investment companies) for APs beginning before 1 April 2006. Enter the excess interest distributions, calculated under S468L(7) ICTA 1988.

Maximum available to surrender as group relief (full form CT600 only)

Group companies can claim to surrender certain amounts as group relief to another group member for the corresponding AP. In this context a group is, broadly, where one company is a 75% subsidiary of the other or both are 75% subsidiaries of a third. If the company has

- a trading loss (see also the notes for boxes 3 and 4),
- a non-trading deficit on its loan relationships (see also the note for box 6), or
- an excess of capital allowances given by discharge or repayment over the income against which they are primarily to be set, it may surrender these amounts as group relief. It may surrender them even if it has other income against which they could be set. In the case of a non-trading deficit on its loan relationships, the company must make a claim under S83(2)(b) FA 1996 for the amount to be treated as available for group relief.

If the company has Schedule A losses, charges, management expenses or non-trading losses on intangible fixed assets these amounts may only be surrendered as group relief to the extent that the total of these reliefs for the AP is more than the company's gross profits for the AP.

The gross profits of the AP are calculated without any deduction

- for trading losses, non-trading deficit on loan relationships, non-trading losses on intangible fixed assets, or excess capital allowances of the same AP, and
- for any losses, allowances or other amounts of any other period, whether or not of a kind referred to in the previous bullet, or
- for management expenses and Schedule A losses brought forward and treated as management expenses of the accounting period (S75(3) ICTA 1988 or S392A(3) ICTA 1988).

For the following items the notes refer you to the governing legislation, and all entries are on the full form CT600 only.

You also need to complete the Group and consortium Supplementary Pages, form CT600C, where any amount is surrendered as group relief.

123. Trading losses Case I	As calculated for the purposes of S393A ICTA 1988.
126. Non-trade deficits on loan relationships and derivative contracts	As calculated for the purposes of S83 FA 1996.
128. Schedule A losses	Losses from UK property business (UK Land and Buildings), as calculated for the purposes of S403ZD ICTA 1988.
133. Non-trade losses on intangible fixed assets	As calculated for the purposes of S403 ICTA 1988.
134. Excess non-trade capital allowances	Excess over income in period, as calculated for the purposes of S403 ICTA 1988.
135. Excess charges	As calculated for the purposes of S403 ICTA 1988.
137. Excess management expenses	As calculated for the purposes of S403 ICTA 1988.

Overpayments and repayments - boxes 139 to 160

We ask you to complete the small repayment details and give the company (or nominee) bank or building society details on every form *CT600* you complete, whether or not you think there may be a repayment at present. You must also complete this section, to make your wishes clear, if you believe there is a repayment due for an earlier period as a result of events in the period covered by this return.

Make sure you put an 'X' in the appropriate repayment box(es) on page 1 of form *CT600* to alert us to your claim.

Small Repayments

139. Do not repay £20 or less	If you do not want us to make small repayments please either put an 'X' in box 139 or complete box 140. 'Repayments' here include tax, payable credits, interest, and late-filing penalties or any combination of them. You must renew or change any authority you give each time you complete a form <i>CT600</i>, even if you are delivering two returns at the same time. This authority overrides any previous authority given, so if you leave boxes 139 and 140 blank we will make any repayment arising subsequently, however small, and even if it is for an accounting period previously covered by a limit for repayment. If you want to change your instructions before you next deliver a return you must tell us in writing, signed by an authorised person (as for form <i>CT600</i>). If you complete either of these boxes we will not make any repayment to the company or any authorised nominee unless it is more than the limit you have chosen. Any amounts below the limit will be reallocated against any other CT liabilities, or if there are none, to a later AP. Once a small repayment has been reallocated to another AP it is treated as if it had been paid for that period and any subsequent reallocations or repayments are treated as coming from that period, not its original period. Any overpayment automatically reallocated cannot be surrendered under S102 FA 1989 to other group companies for the period in which the overpayment arose. If you think you will or might want to make such surrender, do not complete this authority but consider completing boxes 145 to 148.
OR	
140. Do not repay any other amount you specify, or less	

Repayments for the period covered by this return (full form *CT600* only)

Repayment, or payment of:	Remember to put an 'X' in the 'repayment due for this return period' box on page 1 of form <i>CT600</i> under 'About this return'.
141. Corporation tax	Enter the relevant amount, as appropriate, from box 93, less any entries for payable tax credits in boxes 89 or 90
142. Income tax	box 85,
143. R&D tax credit	box 89,
168. Film tax credit	box 89,
144. Land remediation or life assurance company tax credit	box 90.

Tax refunds surrendered by the company - boxes 145 -148 (Full form CT600 only)

The legislation that applies to groups of companies allows a repayment due to one company to be set against the liability of another in the group for the same accounting period. There must be a joint notice of surrender. For all cases where the company is surrendering a repayment make sure you also complete the check box on page 1 of form CT600 to alert us to the repayment claim and the company's surrender of it.

145. Amount surrendered under S102 FA1989 (Full form CT600 only)	Enter the amount being surrendered by the company (include surrenders under Regulation 9 of the Instalment Payments Regulations). Repayments of advance corporation tax cannot be surrendered.
146. Joint notice attached (Full form CT600 only)	Put an 'X' in box 146 if the joint notice is attached. For a surrender under Regulation 9 (Instalment Payments Regulations), supply a schedule of the amount(s) and date(s) of each instalment surrendered.
147. Joint statement to follow (Full form CT600 only)	Put an 'X' in box 147 if the joint notice is to follow.
148. Stop repayment until Notice sent (Full form CT600 only)	If the notice is not attached you must tell me the amount of repayment you want to stop until you send us the notice. Enter the amount here in £ and p.

Repayments for an earlier period

Events in the period covered by this return may lead to the company claiming repayment for an earlier period, for example a claim to carry back trading losses.

If the company makes the claim when it is still within the time limit to amend its return for the previous period we will treat the claim as such an amendment. The company can usually amend its return within 24 months from the end of the AP. If it is too late to amend the return we will deal with the claim without amending the return.

Please make the claim on a separate sheet of paper, or in the body of a covering letter, and send it in with this return.

Make sure you alert us to the claim by completing the 'repayment due for an earlier period' box on page 1 of form CT600 under 'About this return'.

Bank details (for person to whom the repayment is to be made)

We make repayments direct to the company's bank or building society account by the Bank Automated Clearing System (BACS) - it is quick and safe. We need you to give us the account details every time you complete a return form, even if you are sending in more than one return at the same time it must be on both. It is best to do this even if at the moment you do not calculate that there is any repayment.

Complete boxes 149 to 153 with the company or nominee bank or building society account details. If you want any repayment to go to someone other than the company you must give the nominee's details in boxes 156 to 158 and authorise the nomination by completing boxes 154, 155 and 160 and signing at box 159 every time you complete a form CT600.

Where you authorise a nominee the BACS details you give must be those of the nominee.

149. Name of bank or building society	Enter the name of the bank or building society of the person to whom the repayment is to be made.
150. Branch sort code	Enter the 6-digit branch sort code number of the person to whom the repayment is to be made.
151. Account number	Enter the account number of the person to whom the repayment is to be made.
152. Name of account	Enter the name of the account of the person to whom the repayment is to be made.
153. Building society reference	Enter the reference for the building society of the person to whom the repayment is to be made (if applicable).

Payments to a person other than the company

Complete the authority if you want the repayment to be made to a person **other than the company**. HMRC reserve the right not to repay to a nominee.

Please note that this authority overrides any previous authority given. Repayments will be made to the person entered here, until you tell us in a later return that there is a different nominee or, by leaving the details blank, you give no nominee details (showing that there is now **no nominee** to receive repayments). If you want to change the nominee before you send in the next return please tell us in writing, making sure you also update any bank or building society account details. Such changes must be authorised. Except where a liquidator or administrator has been appointed the changed authority must be signed by any person authorised to do so on behalf of the company. A photocopy of a signature is not acceptable.

154. Status of authority	You must be a person authorised by the company to act on its behalf. Enter status, such as company secretary, director, treasurer or liquidator, or authorised agent.
155. Name of company	Enter the name of your company.
156. Name of person given authority	Enter the name of the person you are nominating to receive payments or repayments on behalf of the company.
157. Address of person given authority	Enter the full address of the nominee.
158. Nominee reference	Enter the nominee's reference.
159. Signature of authoriser	You must sign here to give your authority for the nominee to receive any payment or repayment. Except where a liquidator or administrator has been appointed, any person who is authorised to do so may sign the authority on behalf of the company. A photocopy of a signature is not acceptable.
160. Name of authoriser	Enter the name of the person who has signed at box 159.

Declaration

Read the warning and the declaration and then sign and date the form, putting your name and status (such as company secretary or director).

The declaration must be signed by a person authorised to do so by the company. Where a liquidator or administrator has been appointed, he or she must sign the declaration personally. An original signature is required; a photocopy of a signature is not acceptable.

What do I do when I have completed the return form?

Once you have completed all the appropriate boxes, make sure you give us all the information listed on page 1 of form *CT600*. Then when you have signed the Declaration covering the whole return, send it to us. Do not forget to include the accounts, computations, calculations, claims or surrender documentation and any other relevant information.

It is a good idea to keep a copy of what you have sent us, and the *Guide*, for your records.

Please pay any tax you calculate is outstanding. Interest is charged on tax paid late.

Please deliver your return before the filing date (see the notes on page 4). We charge penalties for late returns, even where no tax is due.

Table of corporation tax rates and fractions

Not all companies have to pay corporation tax at the same rate. The notes and the table below will help you to use the correct rate for your company.

Corporation tax starting rate could only be claimed between 1 April 2000 and 31 March 2006 where profits were not more than the first relevant amount (see table). Starting rate could be claimed by a company resident in the UK, provided it was neither a close investment-holding company at the end of the period nor an investment trust which has eligible rental income (within the meaning of S508A ICTA 1988).

Small companies' rate may be used where profits are not more than the lower relevant maximum amount (see table). A separate small companies' rate applies to ring fence profits from 1 April 2007. The company has to make a claim. Any company resident in the UK that is not a close investment-holding company can claim.

A close investment-holding company is broadly any close company that does not exist wholly or mainly for the purposes of trading commercially or investing in land for (unconnected) letting, or acting as a holding or service company within a group which exists wholly or mainly to trade or invest in land for letting.

Where an eligible company's profits exceed the limit for either starting or small companies' rates the profits are all charged at the small companies' or main corporation tax rate respectively and marginal rate relief is applied up to the limits shown in the table. There is a marginal rate relief calculator on our website to help you.

The non-corporate distributions rate of tax was in place from 1 April 2004 to 31 March 2006. There are notes about this starting on page 14 of this *Guide* and there are more examples on our website on the 'corporation tax' pages under 'How do I calculate the tax a company has to pay?'.

Financial year beginning 1 April	2002	2003	2004	2005	2006	2007
Rate of corporation tax	30	30	30	30	30	30
Corporation tax starting rate	0	0	0	0	N/A	N/A
Small companies rate (also used for an investment trust's housing investment profits)	19	19	19	19	19	20
'Small companies' rate on ring fence profits	N/A	N/A	N/A	N/A	N/A	19
Non-corporate distribution rate	N/A	N/A	19	19	N/A	N/A
Special rate for authorised unit trusts and open-ended investment companies	20	20	20	20	20	20
Limits for marginal relief where there are no associated companies (£ thousands)						
First relevant amount for starting rate (limit for starting rate)	10	10	10	10	N/A	N/A
Second relevant amount for starting rate (upper limit for marginal starting rate relief)	50	50	50	50	N/A	N/A
Lower amount for small companies' rate (limit for small companies' rate)	300	300	300	300	300	300
Upper amount for small companies' rate (upper limit for marginal small companies' relief)	1500	1500	1500	1500	1500	1500
Marginal relief fractions						
Marginal starting fraction	$\frac{19}{400}$	$\frac{19}{400}$	$\frac{19}{400}$	$\frac{19}{400}$	N/A	N/A
Marginal small companies' standard fraction	$\frac{11}{400}$	$\frac{11}{400}$	$\frac{11}{400}$	$\frac{11}{400}$	$\frac{11}{400}$	$\frac{1}{40}$
Marginal small companies' ring fence fraction	N/A	N/A	N/A	N/A	N/A	$\frac{11}{400}$

Other publications you may find useful

- A general guide to corporation tax self assessment (CTSA TG1)
- Factsheet - Instalment Payments of Corporation Tax by large companies
- Factsheet - Complaints and putting things right
- Code of practice 10 - Information and advice
- Code of Practice 14 - Company enquiries

These items and more, together with forms for corporation tax, are available to download from our website. Please check our website regularly, especially the corporation tax pages, for up to date information.

All CT600 forms are also available from the CTSA Orderline (0845 300 6555 or fax 0845 300 6777).