



## Top Corporation Tax Pre-Filing Checks

With Corporation Tax (CT) returns for accounting periods ending in December 2009 due on 21 September 2010 (23 September for clients who pay and file using ROS), John Byrne, Tax Partner of Howarth Bastow Charlton provides some last minute CT checks to consider before filing the return.

1. Double-check input figures on accounts menus where, for example, the software used stored figures and amounts may erroneously be carried forward from an earlier period.
2. Ensure that any changes in Directors/ Shareholders during the period are captured on the final Form CT1.
3. Check that the figure for Directors' remuneration correctly captures the corresponding figure from the accounts with the addition of any Benefit in Kind amounts.
4. Double-check that any late amendments to the accounts are reflected in the CT computation and return (where earlier drafts have been prepared).
5. In circumstances where a trading loss arises in the current period and a profit arose in the prior period, ensure that the loss is carried back to generate a refund.
6. Where a group of companies are involved, review group relief claims to minimise the number of companies paying corporation tax or to minimise the number of "large companies" for the purposes of paying preliminary tax.
7. Ensure the figures for R & D tax credit fully capture all relevant amounts, for example expenditure on new software, energy efficient equipment etc. Check that the R & D element of overheads is correctly allocated as R & D expenditure where appropriate, for example staff wages for carrying out R & D work.
8. Double-check capital allowances and tax written-down values where amounts are automatically carried forward from an earlier period to ensure capital allowances amounts are correct. Where assets have been disposed of/ scrapped during the period check that the proper adjustments are made to the capital allowances claimed thereon. See also an article in the November 2009 issue of TaxRelay "Year-End Corporation Tax Checklist" regarding capital allowances (available by clicking [here](#)).

9. Ensure that the figures entered for employer pension contributions, patent royalties and interest as a charge reflect the actual payments made by the company during the period and are not the accruals figures.
10. Double-check the figure for tax relief at source in respect of medical insurance premiums to ensure it captures any balancing payments made. Alternatively, the figure may have changed significantly from an earlier year if, for example, the company changed scheme or paid less for employees.
11. If you notice that DIRT has been deducted on interest payments to the company, you might consider arranging for a DIRT declaration to be put in place, as appropriate, so that the company can receive interest gross without deduction of DIRT going forward.
12. The accounts menu is intended as an extract and does not try to represent a complete set of accounts. Therefore they will not balance as in a full set of accounts. Instead what is required is the completion of relevant items.