# THOMSON REUTERS ONESOURCE™

# CORPORATE TAX UK

## RELEASE NOTES
VERSION 7.1

November 2014

THOMSON REUTERS™

# CONTENTS

# WHAT'S NEW?

## ONESOURCE PLATFORM

### E-Filing update

Version 7.1 includes the 2014 computational taxonomy released by HMRC in August 2014. HMRC have introduced a new mandatory tag into the taxonomy called "Company is a partner in a firm". This tag must be present in every computation submitted to HMRC using the new taxonomy. You will notice we have included additional disclosure on the **A** sheet to allow this information to be tagged.

**Please do not remove this row or delete this tag as this will prevent the computation from filing to HMRC**.

This change applies to all 2014 computations created after the installation of Version 7.1.

We are currently in discussions with HMRC regarding this change as we feel that information of this nature should perhaps be captured on the CT600, rather than the tax computation.

## NEW 2015 TEMPLATES

### Tax accounting

Do you need to complete your tax accounting numbers before the main 2015 templates are released in July 2015? Version 7.1 includes an early release of the new 2015 templates for standalone tax accounting and group reporting files.

### Petroleum Revenue Tax

The Petroleum Revenue Tax templates for periods ending 30th June 2015 are included in this release.

# WHAT'S CHANGED?

## CORPORATE TAX

### Early build files

Historically, tax rates would be announced in the budget immediately prior to the new financial year. However, in recent years the main rates have been pre-enacted. Where the tax rates have already been announced, the key tax rates for Financial Year 2015 have been included in early build files created in Version 7.1.

### Number of units in short life assets pools

In response to client feedback, a new optional sheet has been added so that you can now track the actual/notional number of assets or units in an individual short life asset (SLA) pool. The new sheet supports an individual SLA pool and is available by selecting **Develop** > **SLA pool – units pooled** from the **Short life assets pool** sheet. This sheet will automatically calculate the *Additions* and *(Disposals) at cost* sections for the SLA pool, so that allowances and balancing adjustments can be calculated. Any *Units* and *Cumulative costs* remaining at the end of each period will automatically be carried forward to the following period.



As before, assets/units acquired in later periods cannot be included in existing SLA pools as only assets/units acquired in the same period can be pooled.

This sheet is available for 2013 computations onwards.

## 'Brown' field allowances against supplementary charge

For 2013 files onwards, new options are available under the *Type of field* dropdown menu on the **Field allowances** sheet to calculate allowances for additionally developed fields. New columns have been added to allow the *Cost per tonne* and *UKR fraction (if < 100%)* to be entered, and additional reserves should be entered in the existing column. The *Total allowance available* is calculated and displayed, however this can be overridden if required.



# TAX ACCOUNTING

## Tax accounting under FRS101

If you are adopting FRS101 at entity level, you can use the IFRS sheets (**I** sheets) for your tax accounting. The sheets are developed from the **Income statement** by selecting **Develop** > **Other** > **Tax account – tax basis balance sheet approach**. On the **Tax Input** sheet, switch the *Accounting under FRS101?* selector to "Yes" to change the terminology within the sheets from "IFRS" to "FRS101".

## Proof of Tax in IFRS sheets

The **I** sheets now include a **Proof of Tax** which reconciles expected tax charge to the actual tax charge. This will help you check that all items on the tax basis balance sheet and all reconciling items have been dealt with correctly. The sheet will be populated automatically with numbers from your draft tax computation and also information entered on the **Tax basis balance sheet** and other supporting **I** sheets. An error will fire at the bottom of the sheet if the proof does not reconcile.

| A A1 A2 A3 A4 B C C1 C2 D D2 E I I2 I2A I3 I4 I5 I6 **I7 - Proof of tax** I8 O O2 O3 P P2 P3 P4 | | | | | | | | |

| | A | B | C | D | E | F | I | J | AE |
|---|---|---|---|---|---|---|---|---|---|
| | | | Tax | | | Expenses not | Transfer pricing | Tax rate | |
| 1 | | Gross | rate | Net | | deductible | adjustments | changes | |
| 2 | | | | | | | | | |
| 3 | Profit / (loss) per accounts | £ 870,000 | 21.49% | £ 186,990 | | | | | |
| 4 | Total tax charge per income statement | | | 201,336 | | | | | |
| 5 | | | | | | | | | |
| 6 | Difference to explain | | | £ 14,346 | | | | | |
| 7 | | | | | | | | | |
| 8 | | | | | | | | | |
| | Permanent items: | | | | | | | | |
| 9 | Expenses non deductible | 10,000 | 21.49% | £ 2,149 | | £ 2,149 | | | |
| 30 | TP taxable trading adjustments | 50,000 | 21.49% | 10,747 | | | £ 10,747 | | |
| 50 | | | | | | | | | |
| 51 | | | | £ 12,896 | | | | | |
| 52 | | | | | | | | | |
| 76 | | | | | | | | | |
| | Other adjusting items: | | | | | | | | |
| 77 | Tax rate changes | | | 1,450 | | | | £ 1,450 | |
| 118 | | | | | | | | | |
| 119 | Total reconciling items | | | £ 14,346 | | £ 2,149 | £ 10,747 | £ 1,450 | |
| 120 | | | | | | | | | |
| 122 | | | | | | | | | |
| 123 | | | | | | | | | |

You can also use this new **Proof of Tax** sheet to build up your disclosures on the **Tax accounting disclosures – IFRS** sheet. ONESOURCE allocates each item to a disclosure column (see above) on the **Proof of Tax** sheet you may then reallocate the item as you so wish. The total of each disclosure column will feed through to the total tax reconciliation in the disclosures.

Note: The old **Permanent items** sheet has been retired as all items are now captured on the **Proof of Tax**.

## Research and Development Expenditure Credits (RDEC)

All the tax accounting sheets (UK GAAP, IFRS and FRS102) have been updated to allow you to deal with RDEC amounts as appropriate to your chosen accounting treatment. A new selector *Recognise RDEC in Tax Account?* allows you to decide whether you want to recognise amounts in respect of RDEC in the **Tax Account**. The selector defaults to "Yes", change this to "No" if you do not want the RDEC amounts showing in your tax account.

| | | | |
|---|---|---|---|
| | *to Equity/OCI* | | |
| 76 | | | |
| 77 | *Hide prior period tax account detail ?* | Yes | ✔ |
| 78 | *Display simplified tax accounting sheets* | Yes | ✔ |
| 79 | *Print carry forward per accounts button?* | No | |
| 80 | *Recognise RDEC in Tax Account?* | Yes | ✔ |
| 81 | *Recognise RDEC credit through tax line (rather than above the line) if NIC/PAYE restriction applies?* | No | |
| 82 | | | |

The selector *Recognise RDEC credit through tax line (rather than above the line) if NIC/PAYE restriction applies?* defaults to "No". Change this if you want to recognise RDEC amounts through the tax line. Remember you may need to make changes to your profit and loss account if the RDEC is no longer being treated as an above the line credit.

## Unrecognised deferred tax amounts

The **Accounts disclosures – FRS102** sheet in the company file aggregates all unrecognised deferred tax amounts for the period. In response to client feedback, this section now prints by default as we recognise this to be useful information for a reviewer. You can turn off the printing of this section by using the selector provided. This information is now included in the **Tax accounting disclosures – FRS102** sheet in the group module.

| | | | | | |
|---|---|---|---|---|---|
| | Provision at end of p | £ - | | | |
| 98 | | | | | |
| 99 | | | | | |
| 119 | | | | | |
| 132 | | | | | |
| 133 | **For review purposes only: Deferred tax amounts not recognised (at the closing tax rate)** | | | | |
| 134 | Fixed assets | £ - | £ - | £ (6,560) | £ (6,560) |
| 135 | Timing differences - trading | - | (10,000) | - | (10,000) |
| 136 | Timing differences - non trading | 2,800 | - | - | 2,800 |
| 138 | | | | | |
| 139 | | £ 2,800 | £ (10,000) | £ (6,560) | £ (13,760) |
| 140 | | | | | |
| 141 | | | | | |

If you have created a group module with the **J** sheets prior to this release, you may need to use the **Refresh company** functionality to see the numbers updated in the group module.
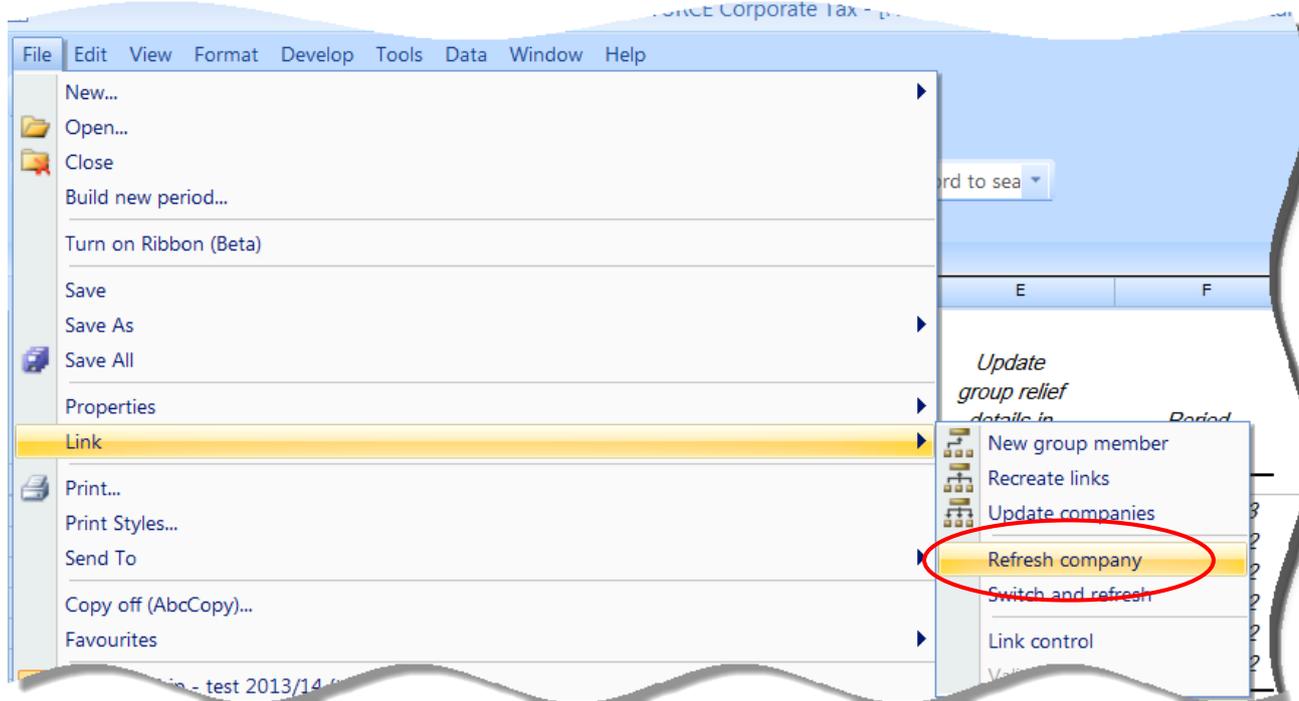


## PARTNERSHIP

### Annual Investment Allowance (AIA)

You can now validate your AIA claim by using the new **AIA validation** sheet. This is developed from the **AIA** sheet.

## LIFE

### Multiple Apportionment for blocks of business

In response to client feedback, we have added a sheet to allow you to analyse blocks of business for the **Investment income** and **Investment gains** sheets on a sectional apportionment basis. Previously you could only apply a single apportionment percentage. You can develop the new sheet from either the category of business summary sheets via **Develop** > **Block of business** > **Multiple Apportionment** option. Alternatively, you can click the **Add new block** button from the **Q10** sheet. This sheet is available for both new and existing 2014 computations.
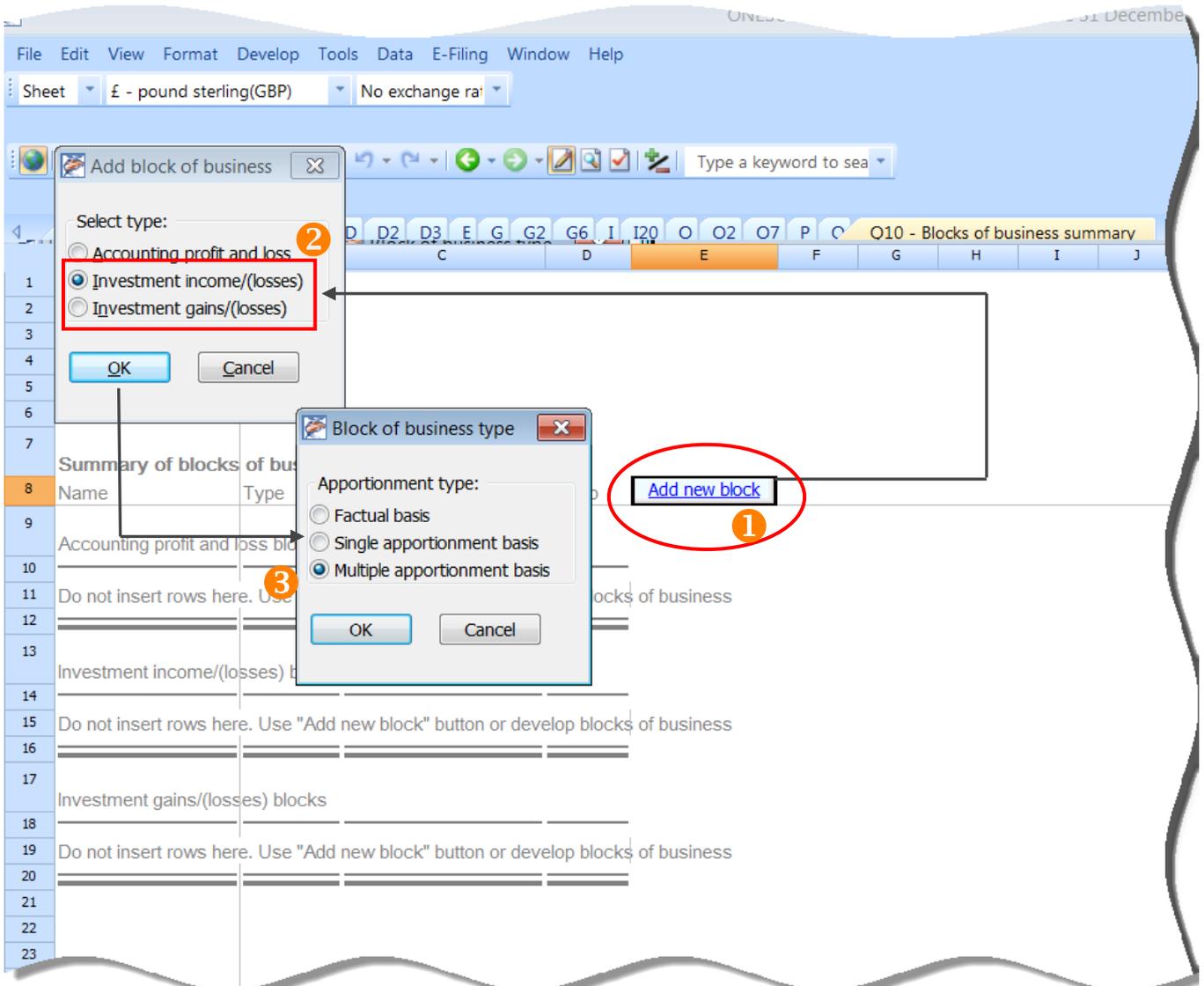
## SYSTEM

### Printing improvements

A number of enhancements have been made to allow you to customise the way your computation prints. You can now:

- Set the font for the title page, headers, footers, sheet title and computation body independently.
- Choose the alignment of the header.
- Have the sheet reference as part of the sheet title.
- Underline the sheet title section.
- Change the margins applied to sheets.

### Modern print style

- In addition to the default *Classic* style, you can now use the *Modern* print style.
- You can also create your own print style using the **Print Styles** dialog.
- To change your default print style, use the **Print Styles** dialog.
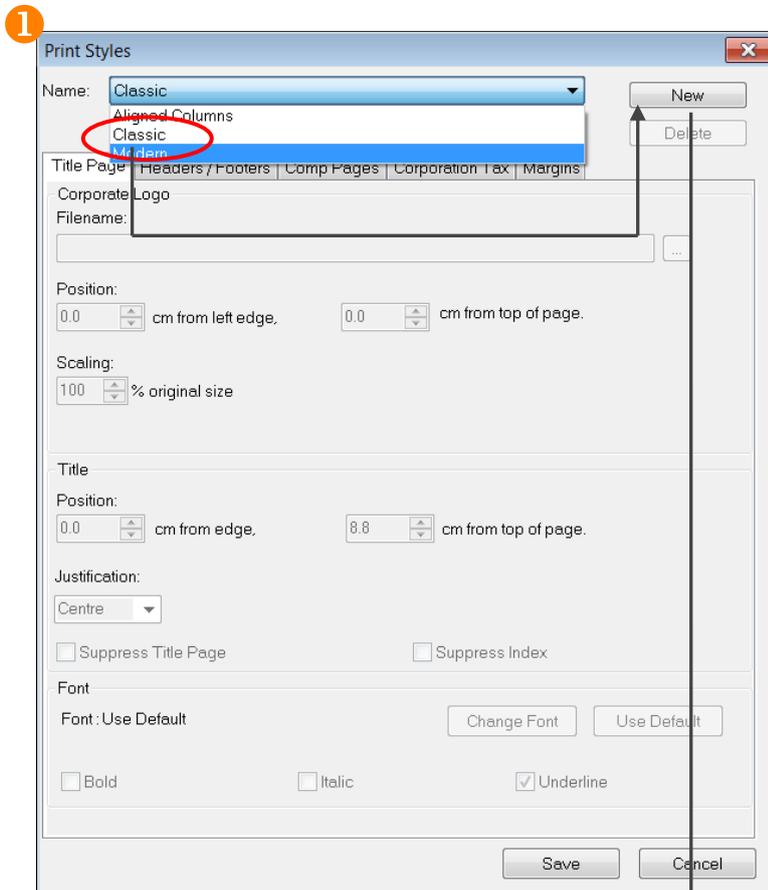


When you click **New**, the **New Print Style** dialog opens. This is where you create your new printing style.

If the **Use current print style as a template** box is ticked, the style will be based on the print style you selected. If it's unticked, the settings will set to default values.

When you click **OK**, the tabs in the **Print Styles** dialog becomes enabled for editing.

To save your settings make sure you click **Save**.
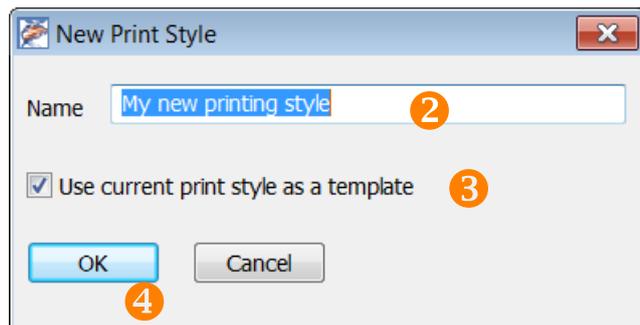
**How do I apply my new printing style?**

To apply the change made to the *Print style*, for an individual computation, go to **File** > **Print** and from the **Print** dialog click the **Print style** dropdown menu, underneath *Print options*, and select your new printing style. Make sure you click **OK** to apply the settings.
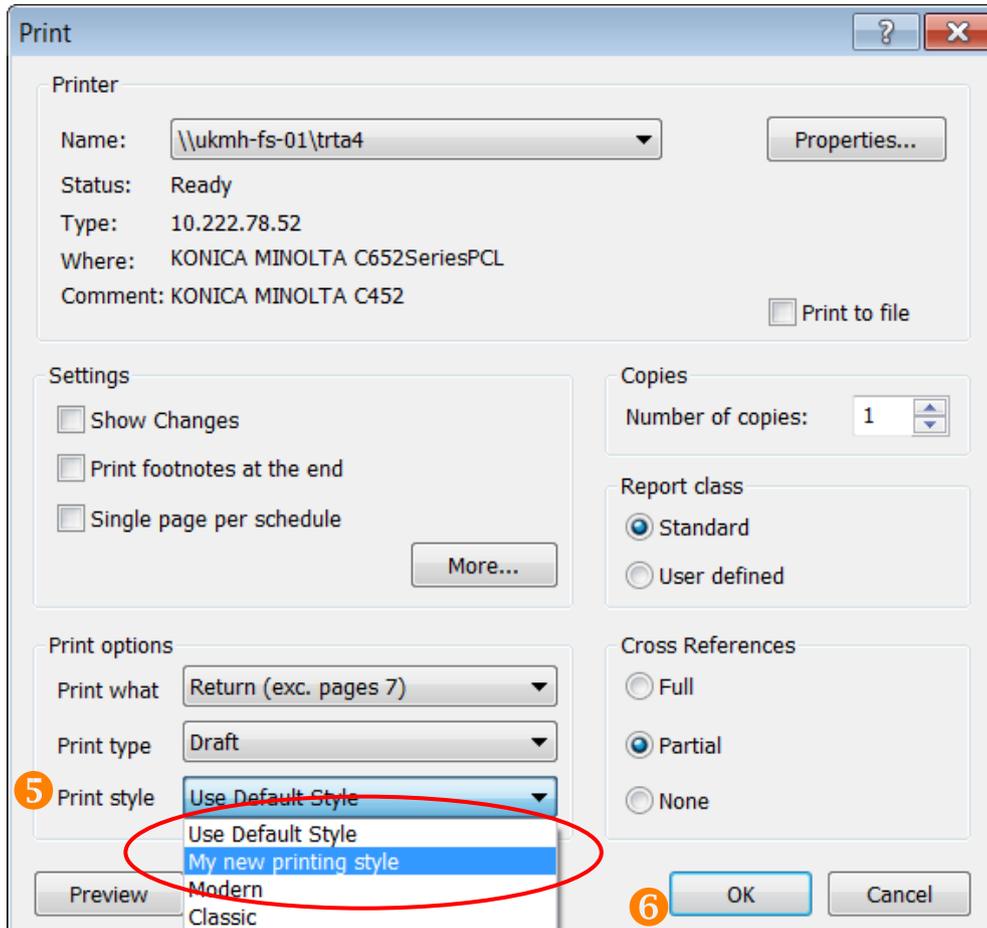


We would appreciate feedback on the new "*Modern*" print style.

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# APPENDIX – FULL LIST OF CHANGES

| Category | Item | Change Made | Internal Ref |
|---|---|---|---|
| AIF | Return type on Authorised Investment Fund computations | The available return types have been extended on the P sheet in Authorised Investment Fund computations to include "Company in liquidation". | 434236 |
| AIF | Cell currency on O2 sheet in AIF computations causing error in calculation | Cell formats updated | 528009 |
| Corporation Tax | Claims and elections update | The Claims and elections (T) sheets have been updated to include relevant claims up to September 2014 | 423525 |
| Corporation Tax | Display of brought forward and carry forward amounts on the Foreign income sheet | Display formulae have been added to ensure the brought forward and carry forward columns on the Foreign income sheet are not printed when empty | 474533 |
| Corporation Tax | Duplication of add back in REIT computations | Duplicate add backs removed to ensure only the most detailed level of analysis is adjusted for in the computation | 513687 |
| Corporation Tax | Overseas branch analysis schedules - amend disclaim section so disclaims can be determined at branch level before overall trade level | Stopped the auto-allocation to the UK trade element for unclaimed CAs in overseas branch analysis schedules. | 524681 |
| Corporation Tax | Printing resizing issue on Loans to Participators schedule in FY14 files | Sheet resized to ensure it prints correctly | 526508 |
| Corporation Tax | Default the CFC regime flag to the new regime | Changed default for the CFC summary sheet in the AP post Dec 2012 column to yes for both main and stub period | 532652 |
| Corporation Tax | Foreign branches don't pick up loss transferred in under s944 | Amended Trade computations for 2013 and 2014 to pick up the net loss b/fwd value after amounts foregone and transferred in from the Losses schedule.<br><br>This is not possible in MULTI computations, as we cannot identify the amounts foregone and transferred in for the specific trade, so a new row has been added to the "Loss utilised and c/fwd" section of the Overseas branch summary schedule labeled Adjustment. This will allow users to enter any adjustments required to ensure that the Loss c/fwd figure is correct. | 534575 |

| Corporation Tax | CT600E Charity commission reference picking up incorrect value on ct600e | Formula updated | 534595 |
|---|---|---|---|
| Corporation Tax | Incorrect formula for Tax relief surrendered where there is a restricted tax relief surrendered on R and D tax credit calculation | Formula corrected | 540479 |
| Corporation Tax | Implement "brown field" allowances for ring fenced trades with Field allowances. | We have added new options under the Type of field selector on the Field allowances schedule, to include "Brown (no PRT) and "Brown (PRT)", to calculate allowances for both types of additionally-developed fields. New columns have been added to allow the Cost per tonne and UKR fraction (if < 100%) to be entered, and a heading has been amended to make it clear where the additional reserves should be entered. The Total allowance is then calculated and displayed, and can be overridden if required. The rest of the schedule is unchanged. | 500945 |
| Corporation Tax | Short Life Asset pool - high volume number of assets | SLA pool – units pooled sheet added to calculate the Additions and (Disposals) at cost section of the SLA pool | 511458 |
| Corporation Tax | Unable to e-file some 2013 files with Patent box schedule in v7.1 as there is a data access error hidden in the # column | Data access error rectified for existing computations containing Patent Box sheets. | 568836 |
| Corporation Tax | Early build tax rates where rates pre enacted | 2015 Early Build computations will now use the pre-enacted rates for 2015 reflecting the move to a single tax rate and the removal of marginal relief | 423022 |
| e-Filing | Update to Tagging wizard relating to the tag applied for National Insurance in Investment companies | The Tagging wizard has been updated to ensure amounts described as National Insurance are tagged with the Wages, salaries and staff costs tag as opposed to Management expenses in an investment company. | 434071 |
| e-Filing | New computational taxonomy | The new 2014 computational taxonomy has been included and will apply to new computations created in this release. | 541464 |

| Group | Multi trade files not updating company details for group relief in CT600C | Updated linking macro to accommodate multi trade files linked to group. This ensures the details for group relief claim or surrendered is updated in the underlying files when an update is selected. | 528100 |
|---|---|---|---|
| Group | Allow the printing of the group payment allocation in final when errors are in file | Added the option to allow the Group payment allocation report to be printed in final when there are errors in the file using new function in the software. | 546287 |
| Help | New CT600 guide | Updated CT600 Guide for 2014 - changed help references the new version | 526982 |
| Help | FRS102 sheets - new help required | Sheet specific help has been added for the FRS102 Tax accounting sheets | 532638 |
| Help | FRS102 How to guide | A new how to guide has been added to the help system to support users preparing their tax provision under FRS102 using the J sheets | 572269 |
| Investment Trust | Printing of income tax columns in Investment Trust computations | Display conditions have been added to the Partnership income and expenses sheet in Investment trust computations to ensure income tax amounts only print when the associated source is entered. | 478295 |
| Life | Minor changes on CT600 for Life computations | Amended formulae on P schedule to ensure that A repayment is due for this return period and reason boxes page 1 of the CT600 are completed correctly | 544204 |
| Life | Multiple apportionment sheets | You can now analyse blocks of business for the Investment income and Investment gains sheets on a sectional apportionment basis, where previously you could only apply a single apportionment percentage. You can develop the new sheet from either the category of business summary sheets using the Multiple Apportionment develop option or, alternatively by clicking on the Add new block button from the Q10 sheet. This sheet is available for both new and existing 2014 computations. | 457745 |
| Partnership | Foreign income and gains (H) schedule: Hide the section that relates to dividends from printing | Amended display formulae so that interest section and dividend sections only display when there are items in them | 516057 |
| Partnership | Depreciation double counted in trading partnerships containing foreign branch sheets | Calculation updated to prevent double counting in this scenario. | 522284 |

| Tax Accounting | IFRS Proof of tax: non qualifying depreciation is not allocated to a disclosure column | Allocated non qualifying depreciation to "Expenses not deductible" column on the IFRS Proof of Tax sheet | 574921 |
|---|---|---|---|
| Tax Accounting | Text change on the Tax account options and rates sheet | Text amended on the Tax account options and rates sheet to remove references to selectors which are no longer present | 380419 |
| Tax Accounting | Permanent adjustments arising from an intangible asset. | The tax accounting sheets have been updated to accommodate permanent adjustments arising on intangible fixed assets. | 448524 |
| Tax Accounting | Option to turn off printing of disclosure columns on Proof of Tax in FRS102 sheets | A new selector on the Proof of tax sheet allows you to decide if you want to print the disclosure columns. | 491005 |
| Tax Accounting | I/J sheets - RDEC issues where small profit but NIC/PAYE cap bites | The correct adjustments are made in all the tax accounting sheets where there is a small profit in the tax computation but the NIC/PAYE cap applies and the user wants to treat the RDEC as part of the tax line (rather than an above the line tax credit). | 491554 |
| Tax Accounting | I sheets: Need a Proof of Tax (to match J3 equivalent)) | A Proof of Tax sheet has been added to the IFRS tax accounting ("I") sheets. As all permanent items are now held on the proof of tax sheet, the old I7 (Permanent Items) sheet has been removed. | 498503 |
| Tax Accounting | F/I/J - RDEC - need flexibility for users to be able to deal with RDEC in different ways | A new selector has been added to the tax accounting sheets to allow users to decide whether they want to recognise RDEC in their Tax Account or not. | 498511 |
| Tax Accounting | J sheets:  remove references to "non qualifying" references and other (not relevant under FRS102) | References updated to ensure they are consistent with FRS102 | 517566 |
| Tax Accounting | Tax Account in UK GAAP Group module - incorrect display formula on receipts and payments column | Display formulae updated for these columns to ensure they are consistent with other columns | 520229 |

| Tax Accounting | Group I/J - Business combinations - add in column with heading to prompt users to think about this area | The group Tax Account sheets for IFRS and FRS102 now have new rows for "Business combinations/fair value adjustments". The group Tax Account disclosures sheets have been updated for new columns for "Business combinations/fair value adjustments". | 520259 |
|---|---|---|---|
| Tax Accounting | FRS102 group: Need to pull up the "Deferred tax amounts not recognised" onto the Tax Accounts disclosures sheet | A new section has been added to the group Tax Account disclosure sheet for FRS102 to pick up the "unrecognised deferred tax" amounts from company files. | 520276 |
| Tax Accounting | Need option to print DT amounts not recognised on the Accounts disclosures - FRS102 sheet | Added selector to the Accounts disclosures - FRS102 sheet and Tax input sheet to allow users to print the "deferred tax amounts not recognised" section on the Accounts disclosures - FRS102 sheet | 520286 |
| Tax Accounting | Presentation of AIA in P&L tax accounting schedules | The Fixed asset timing differences sheet in UK GAAP and FRS102 has been updated to pick up AIA amounts in the period. | 533341 |
| Tax Accounting | FRS102 Proof of tax error - ULT appearing twice in proof of tax | Duplicate entries removed | 536190 |
| Tax Accounting | Tax accounting: wrong prior year date in disclosures for certain periods | Amended text in the reconciliation on the Accounts disclosures (for all GAAPs) sheet so that the prior year date in the sentence "Tax on profit at standard UK tax rate of" shows the prior period of account date, not the previous financial year. | 536290 |
| Tax Accounting | F schedule enhancements - PYA equity movement | Changes made to ensure any prior year movements in relation to equity are dealt with correctly in the Tax accounting disclosures - UK GAAP sheet. | 530042 |
| Tax Accounting | Empty rows on IFRS sheets resulting in reduced print size | Empty rows deleted and sheets now print correctly | 572346 |