THOMSON REUTERS
ONESOURCE™

CORPORATE TAX IRELAND

RELEASE NOTES
VERSION 8.0

July 2015

THOMSON REUTERS™

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WHAT'S NEW?

NEW TEMPLATES

FRS102 Tax accounting

In response to customer demand we have expanded the ONESOURCE Ireland functionality to include tax accounting. The new FRS102 sheets extract information from your tax computation to prepare the tax accounting disclosures for your accounts. This provides greater efficiency for your tax compliance processes as the draft tax computation for tax accounting purposes and the tax computation for the Return can be prepared in the same file, using much of the same data.

The tax accounting sheets are developed from A and have standard computation sheets covering:

- Tax Account
- Accounts disclosures
- Proof of tax
- Gross timing difference
- Net timing differences

We have created standard working papers for dealing with tax rates, timing differences, non qualifying assets etc.

The screen shot below shows the Tax Account – FRS102 sheet.

A | A2 | A3 | A4 | A5 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J - Tax Account - FRS102 | J2 | J3 | J4 | J5 | J\

	A	B	E	J	K	L	N
1	**Details of (assets and payments) and liabilities and receipts:**						
2		B/F per accounts	Receipts/ (Payments) and other credits	Charged/ (credited) to I/S	C/F per comps	C/F per accounts (different)	
3							
5	**Current tax:**						
6	Corporation tax payable						
7	Current year		€ (100,000)	€ 1,978,125	€ 1,878,125		
30							
31		€ -	↓€ (100,000)	€ 1,978,125	€ 1,878,125	€ -	
32							
33	**Deferred tax:**						
34	Fixed asset timing differenc	€ -	N/A	€ 8,750	€ 8,750		
35	Timing differences	50,000	N/A	200,000	250,000		
40							
41		↓J2 € 50,000	N/A	€ 208,750	€ 258,750	€ -	
42							
43	Total	↑€ 50,000	↑€ (100,000)	↓€ 2,186,875	↓€ 2,136,875	€ -	
44							
45							
46	Total tax charge per computation			↑€ 2,186,875			
47	Difference in provision per the accounts			↑ (2,136,875)			
48							
49	Total tax charge per the accounts			€ 50,000			
50							
89							

This is the new tax accounting sheet for Accounts disclosures – FRS 102.

	A	B	C
1	**Tax - FRS102**		
2			Prior Period
3			
4	Current tax:		
5	Irish corporation tax on profits for the period	↓€ 1,962,500	
13			
14	**Total current tax**	€ 1,962,500	€ -
15			
16	Deferred tax:		
17	Origination and reversal of timing differences	↓€ 225,625	
21			
22	**Total deferred tax**	€ 225,625	€ -
23			
24	Total tax per income statement	↓€ 2,188,125	€ -
25			
44			
45	The charge for the year can be reconciled to the profit per the income statement as follows:		
46			
47			
48	Profit for the period - continuing operations	A4, D € 13,345,000	
49			
50			
51	Tax on profit at standard Irish tax rate of 12.50% (2013: 12.50%)	€ 1,668,125	€ -
52	Effects of:		
53	Expenses not deductible	20,000	
60	Effect of earnings taxed at different rates	500,000	
69			
70	Tax charge for the period	↑↓€ 2,188,125	€ -
71			
73			
74	Income tax expense reported in the income statement	↓€ 2,188,125	
76			
77		↑€ 2,188,125	-
78			

We have created a Quick Reference Guide to explain the functionality and to help with its use. The FRS 102 tax accounting guide is appended for your convenience.

Revenue eBrief No. 52/15: Accounting Standards - Transitional Measures and Arrangements

We have reviewed the recent eBrief and can confirm that the new FRS102 sheets can be used to deal with the transitional arrangements for IFRS and spreading of change in basis adjustments.

Group

In addition to the Tax Accounting module, we have expanded ONESOURCE functionality to include an Irish Group module. The Group module is available for 2015 periods onwards. It enables you to link company files to a group module file, extract relevant group information from company files, manage offsets centrally and then push amounts back. This provides an efficient and robust process for managing items like group relief and enables pertinent information to be readily seen on a group wide basis.

A Quick Reference Guide is available to explain this new feature and to help with its use. The Group guide is appended for your convenience.

The screen shot below shows the Group summary, this summary lists all the members of the group and provides a summary of the total income available to relieve and surrenderable losses with details of any claims made in the group module, the tax position and the losses forward position.

A - Group summary | B | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | O | O2 | W | W2 | W3 | W4 | W5

Sort companies by rows — Sort:

Company	Status	Tax Reference number	Total income	(Surrenderable losses)	(Group relief claimed)	Group relief surrendered	Group relief (claimed) / surrendered	Net profits (after group relief)	Corporation tax	Capital gains tax	Losses carried forward
Cervelo	[DRAFT]	9876543R	€ 10,000,000	€ -	€ (5,000,000)	€ -	€ (5,000,000)	€ 5,000,000	€ 625,000	-	€ -
Colnago	[DRAFT]	4567897T	5,000,000	(500,000)	(500,000)	-	(500,000)	4,500,000	1,187,500	-	(500,000)
Parlee	[DRAFT]	3216548H	-	(15,000,000)	-	5,000,000	5,000,000	-	-	-	(10,000,000)
Scott	[DRAFT]	7896547E	-	(2,000,000)	-	500,000	500,000	-	-	-	(1,500,000)
Specialized	[DRAFT]	1234567T	-	(2,100,000)	-	-	-	-	-	-	(2,100,000)
			€ 15,000,000	€ (19,600,000)	€ (5,500,000)	€ 5,500,000	€ -	€ 9,500,000	€ 1,812,500	€ -	€ (14,100,000)

Below is a screen shot of the Trading losses matrix. The group module contains nine group relief matrices to deal with surrenders and claims relating to losses (including trade, excepted trade and leasing), capital allowances, charges and R&D credits within a group of companies.

Loss making companies are displayed in rows and the profit making companies are displayed in columns with a summary of the profit company profits listed by type of profit at the foot of the schedule. This provides additional information in order to assist you in making the loss offset decisions.

A | B - Group relief matrix - Trading losses | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | O | O2 | W | W2 | W3 | W4 | W5

	A	D	F	G	K	L
1	*Sort companies by rows or columns*	Sort:				
4		Available losses unallocated	Cervelo	Colnago	Total losses surrendered	Total losses available to surrender
5						
8	Colnago	500,000			-	500,000
9	Parlee	€ 10,000,000	€ 5,000,000		€ 5,000,000	€ 15,000,000
10	Scott	1,500,000		€ 500,000	500,000	2,000,000
12						
13		€ 12,000,000	€ 5,000,000	€ 500,000	€ 5,500,000	€ 17,500,000
14						
15	*Print*	*NO*				
16	***Profit***					
17	*Trading profits*		€ *10,000,000*	€ -		
18	Leasing profits		-	-		
19	Excepted trade profits		-	-		
20	*Case III income*		-	*5,000,000*		
21	Case IV income		-	-		
22	Case V income		-	-		
23	Capital gains		-	-		
24						
25	*Total profits*		€ *10,000,000*	€ *5,000,000*		
26						
30						

XBRL Accounts information

As set out in our April update, Revenue Online Services released an update to their CT1 online filing service that impacted any electronic submission for the 2014 financial year filed after 28 March 2015. This did not impact the tax calculation, but mandated a series of new questions / disclosures around your XBRL accounts filings. The questions are on a new P sheet which was created as part of the update and, although not new to this 8.0 release, some users may not yet have been required to use it. For 2015 this new sheet is a master and, as such, always present within the Personal Information folder in the navigator pane.

Expression of doubt

ROS now require that details of expressions of doubt are included with the return itself rather than in an accompanying letter. The P sheet used previously to input these has therefore been extended to deal with long periods of account and has been linked into the CT1 for both periods.

This sheet can be developed into your file from P – Information for the return using Develop > Administration > Expression of doubt.

FA 2014 CHANGES

Film investment relief (FA 2014 s24)

A new D sheet called 'Film Corporation Tax Credit' has been added to allow the entry of relevant information for companies making a film corporation tax credit claim. However, because the claim may only be made in an amended return, this sheet has been disabled for normal use. Should you wish to develop the sheet into a file please contact the ONESOURCE support team.

Amended returns

Revenue Online Services have confirmed that third party software cannot be used for making ROS amendments to returns already electronically filed with them. ROS amendments may only be input online using the ROS digital certificate that was used for filing the original return and, as such, cannot be made using third party software.

R&D Expenditure credit changes (FA 2014 s26)

The requirement for companies to take account of base year (2003) expenditure when calculating qualifying R&D expenditure has been removed for relevant periods commencing on or after 1 January 2015.

Windfall tax on land changes (FA 2014 s31)

The 80% rate of capital gains tax on gains from the disposal of land subject to rezoning no longer applied with effect from 1 January 2015. Where a windfall disposal is entered after this date users are now asked to confirm that the higher rate should still apply.

Trades with intangible assets (FA 2014 s40)

This change removes the 80% cap on the aggregate amount of capital allowances, and any related interest expense, which may be offset in any accounting period against trading income of the relevant trade in which the intangible assets are used. Deductions are however still restricted to 100% of the trading income from that relevant trade. We have therefore amended the warnings given where amounts exceed those allowed.

De-grouping charge tax rate (FA 2014 s41)

This technical amendment clarifies when tax becomes due and payable in respect of chargeable gains/capital gains arising under s623 TCA 1997 on a company leaving a group. The rate of tax to apply to the disposal is the rate that applied at the time of the original intra-group transfer.

In order to manage this, a new sheet “Chargeable Gains Arising on Company Leaving A Group” should be developed for these gains rather than the “Capital Disposal Calculation” sheet normally used for disposals. By using this new sheet the rate in force at the time of the original transfer will be automatically applied.

The sheet is designed to allow you to deal with the situation where more than one chargeable gain arises on de-grouping by inserting a column for each asset affected. Both non development and development land gains are dealt with and the sheet automatically applies the correct rate of capital gains tax dependent upon the transfer date entered, grossing up the gain for inclusion in total profits where applicable.

There is however no place to report s623 capital gains on the CT1 consequently they are not included in the ROS calculation. The ONESOURCE self assessment calculation will include them which will give rise to a difference on filing.

Disclosure of tax avoidance schemes (FA 2014 s88)

A new sheet, developed from P, has been created for disclosing tax advantaged transactions entered into that fall under the Mandatory Disclosure Regime. Please note that it is only possible to file details of one scheme.

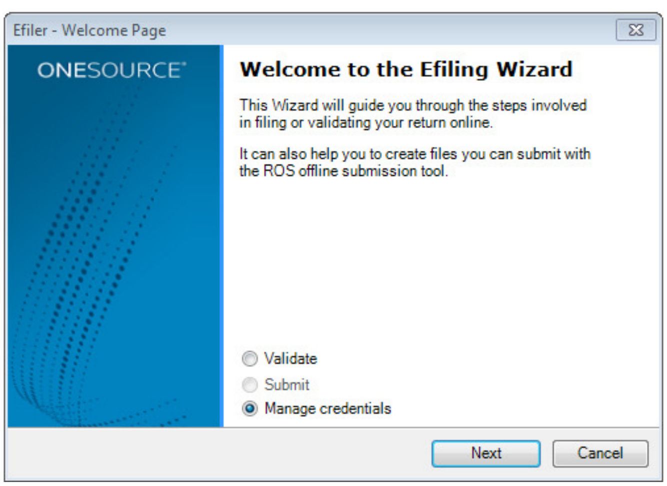
This sheet can be developed into your file from P – Information for the return using Develop > Administration > Disclosable transactions.

WHAT’S CHANGED?

ONESOURCE PLATFORM

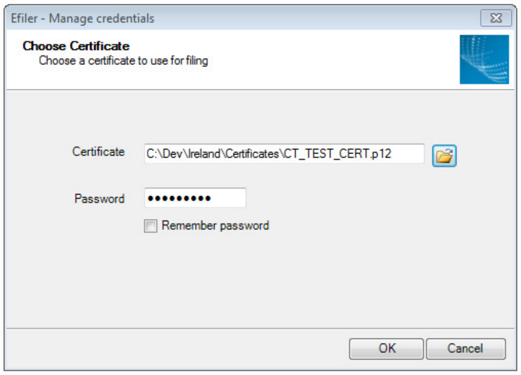
E-filing

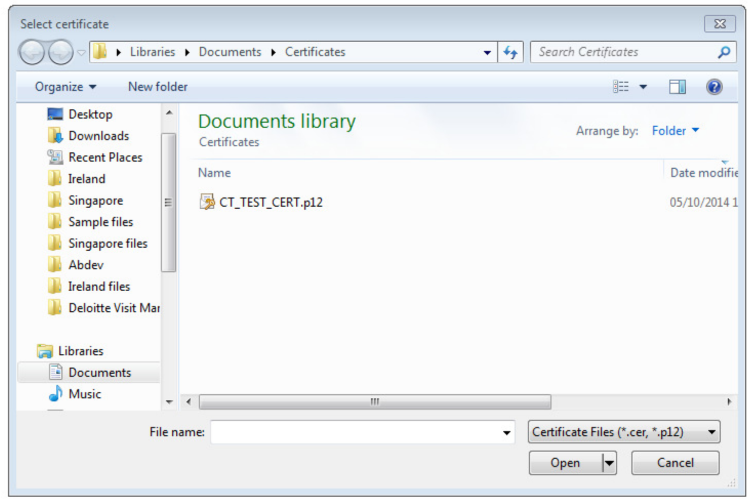
A new e-filing wizard enables users to file returns directly from ONESOURCE without the need to separately upload CT1 files to ROS.

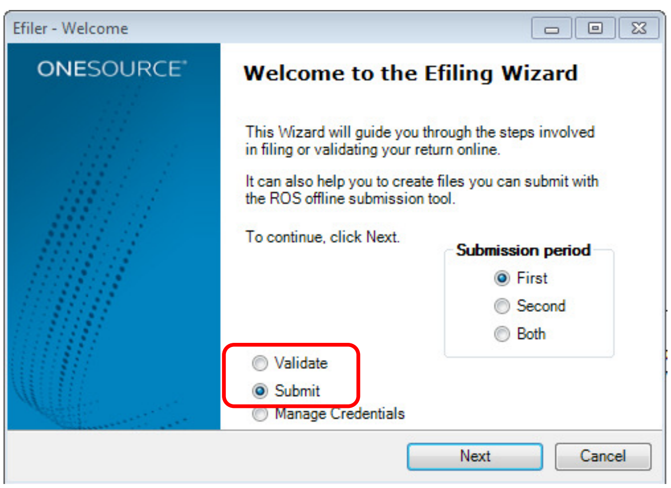


When filing the first return for a company, users will be asked to select the appropriate digital certificate to use by selecting the “Manage credentials” option.

The certificate should be selected and password entered. The choice of certificate will be retained by ONESOURCE by default as will the password should the user select the remember password box.

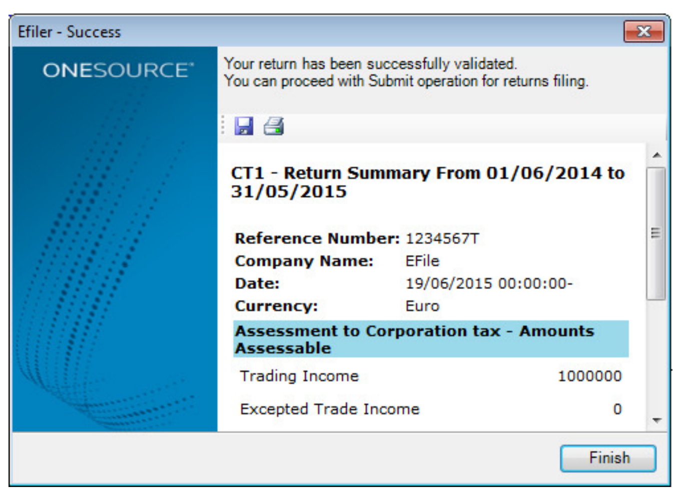






Users now have the option to either e-file the return or to just validate the file (perform an early check for any errors if you are not yet ready to file).

Results returned by ROS are presented immediately to the user as well as being stored in a file specific to the company and period.



CORPORATE TAX

No gain / no loss disposals shown on Capital Gains Summary

Where indexation reduced a gain to nil the disposal was not previously displayed on the Capital Gains Summary sheet. Following user requests, these are now shown.

Finance leases assets brought forward and additions split out

Previously a single column existed on the finance lease sheet for the entry of both leases brought forward and leases entered into during the period. This single column has now been split into brought forward and current year columns. This is clearer for users and assists with deferred tax workings in the new J sheets.

2015 CT1 changes

There is a new Sec. 917K hard copy approved version of the CT1 for periods ending in 2015 incorporating all the updates that have been made to the official CT1 form.

Amounts claimed/surrendered as group relief

As part of the inclusion of the new group module, the P sheets used to categorise group relief claims and surrenders for completion of the CT1 have been re-written. These sheets now take values directly from the G1 and G2 sheets for group relief claimed and surrendered.

There is still the requirement to confirm that all the companies satisfy the requirements for entitlement under Sec. 411-418 TCA 1997 on the P sheet for 'Amounts claimed as group relief'. We have added in validation to ensure that the selector confirming eligibility is set.

Rental analysis sheets

Enhancements have been made to both the non ring fence and the ring fence rental analysis sheets to calculate the taxable lease premium and include it in the total rental income if applicable.

We have added a selector "Lease premium taxable under Sec.98?" which when set to "Yes" will display a new section for calculating the taxable premium. There are sections for entering:

- Premium payable under the lease
- Period of the lease

The taxable lease premium is then calculated and added to the total rental income.

CPO disposals

The updated 2014 e-filing schema and 2015 e-filing schema contain validation that indicate ROS now require CPO gains to be allocated to one of the four Initial/Later periods shown on page 26 of the CT1 and e-filed accordingly. We have amended ONESOURCE so that these values are returned in compliance with the new validation and 2014 and 2015 files can continue to be lodged.

However, in the calculation of the capital gains tax assessment ROS are effectively doubling up the gains by taxing both the total CPO and the constituent amounts broken down into the four boxes. This will give rise to a difference when filing. For capital gains tax there is no requirement to agree with the ROS assessment and it is the ONESOURCE assessment that is filed.

FULL LIST OF CHANGES

A full list of changes has been included as an Appendix to these release notes.

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APPENDIX – FULL LIST OF CHANGES

Category	Item	Change Made	Internal Ref
E-filing	Missing Tags from previous years	Six elements were not tagged and so were not being e-filed. Tags have been added for 2015 files	644703
E-filing	ROS - PositiveNegativeAmount	The wrong value was being returned for Shareholders funds on R130 if these were negative	645015
E-filing	Bugs with 2014 Schema	Four elements were not being e-filed	657703
E-filing	Schema check for Tonnage Tax	Two elements were not being e-filed	647033 678449
E-filing	New sheet for Expression of doubt	A new sheet has been added for the entry of this information	687853
E-filing	New sheet for company category	Two new CT1 pages have been added to link to the new P1 iXBRL information sheet	687868
E-filing	Additional notes for CT1 is set to Yes for both periods	The flag to confirm that additional notes have been entered in the CT1 has been split for long periods	692589
E-filing	PRRT	Certain Profit Resource Rent Tax amounts were not being filed for long periods	695235
Bug	Capital allowances and Shipping trades	Writing down allowances available within a shipping trade were not being deducted from taxable profits	600483
Bug	Company/Shareholder Tax Ref check Incorrect	The warning given was incorrect where an incorrect format was used for the tax reference number entered on the Associates Details sheet	601896
Bug	REIT Case IV income breach of condition - not being taxed	Amounts entered on A for REIT breach of condition amounts were not being taxed	603602
Bug	Spurious warning if call a trade "Trade" in multi trade file	Users can now name a trade simply “Trade” in a multi trade file without giving rise to an error.	603605
Bug	A3: Case IV R&D Expenditure Clawback doubles up for long periods	For long periods, the income in the main period was being incorrectly included in both the main and stub periods results. The stub period profit was correctly included in only that period.	604745
Bug	Investment income - REIT cells not summing properly	Case III & V REIT income entered on the Investment Income sheet was not always being taxed	609246
Bug	A3: Use of trade losses against 12.5% dividends doesn't take account of losses already used	Trading losses available to offset against dividends were not previously being reduced by amounts already set against other income	611239
Bug	D9 Change in basis column sum not working	The sum in the final column was not always picking up the required values	621063
Bug	Excepted trade group relief values on CT1	The total amount of group relief shown on page 9 of the CT1 was sometimes incorrect for excepted trades	698627

Bug	Error needed at O3:C13?	Error message amended for post relevant periods	656608
Bug	Loss brought back looking at wrong period for stub	The value shown for losses brought back on the losses sheet was incorrect for the stub period for a long period of account	698754
Bug	VBR doesn't take account of charges already set against Foreign Case III 12.5% dividends	Losses available for value based relief were not being reduced by amounts already set against non-Irish dividends taxable at 12.5%	622348
Bug	Allowance claimed for capital expenditure on scientific research (Sec. 765)	Trading receipts were not being taxed and the value fed through to the CT1 did not take account of deductions for current year expenditure (nor was this number being e-filed)	702110
Bug	P4 Directors Remuneration Date Bug	The accounting period end date for stub periods was incorrect and not all amounts were being e-filed	705623
Enhancement	P sheet clean up - rows 62 to 66	Removed items that are no longer needed	519988
Enhancement	E: Display columns when disposal gives nil gain?	Disposals where indexation gives no gain now shown on Capital Gains Summary	551266
Enhancement	C10 Finance leases - b/f not split out	Additional columns added to allow easier tracking between existing and new finance leases	551503
Enhancement	A2: Case V capital allowances has c/f for stub period	Removal of unnecessary cells on Loss Summary (no affect on the computation)	568794
Enhancement	Tidy up D9	Minor changes to margins and display controls	572207
Enhancement	Finance lease tidy up	Minor changes to titles to make clearer	656566
Enhancement	Protect cells on A2 and A3	Certain formula cells have been locked to prevent accidental change by users	656600
Enhancement	Ireland Director PPS Number Validation	Validations have been added to P3 and P4 to warn users if the PPS entered is not in the correct format	536400
Enhancement	R&D links into CT1	Enabled a deduction for R&D credits brought back from the following period	685714
Enhancement	Group auto completion of the P sheets and CT1	Group relief categorisation for the CT1 is now automatically populated on the "P sheets"	690705
FA 2014 change	Film investment relief	A new sheet has been activated to allow entry of details for this relief	631808
FA 2014 change	R&D Expenditure credit changes	Reference to the 2003 base year expenditure is no longer required	631812
FA 2014 change	Windfall tax on land changes	Users warned that Windfall disposals should not be entered after 01/01/2015	631816
FA 2014 change	IP transfers - nil gain/ nil loss	Warnings around 80% restriction on deductions for IP amounts is removed	631826
FA 2014 change	De-grouping charge tax rate to be used	A new sheet has been created to tax disposals at the rate that applied at the time of the earlier transfer	631833
FA 2014 change	Disclosure of tax avoidance schemes	A new sheet allows the entry of the transaction number for any tax avoidance schemes used	631927
FA 2014 change	Remove windfall gains from return forms	These disposals are no longer reported	657446

ONESOURCE CORPORATE TAX

IRELAND - GROUP

QUICK REFERENCE GUIDE

Version 3.0

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INTRODUCTION

The new Group module enables you to extract relevant group information from company files, manage this centrally and then push amounts back. This provides an efficient and robust process for managing items like group relief and enables pertinent information to be readily seen on a group wide basis.

Group files can be created for 2015 periods onwards.

BRIEF OVERVIEW OF MODULE

Group files are created from the new file menu by selecting Group in the “Choose return type” section.

File > New > Ireland corporation tax

A: Group summary

A summary is presented for each group company, showing profits, group relief and tax etc.

B: Group relief matrices

Individual loss matrices are included for users to enter group relief allocations for the following loss types:

- B: Trading losses
- B2: Leasing losses
- B3: Trading losses b/f s396C
- B4: Excepted trade losses
- B5: Trade charges
- B6: Restricted trade charges
- B7: Case V capital allowances
- B8: Management expenses
- B9: General charges
- B10: Restricted non-trade charges
- B11: Excess R&D credit

O: Group members

Administrative details are shown on O for each group member e.g. date company left group.

W: Company information

A ‘W sheet’ will be added to the group file for each company linked and relevant information inserted from the company file.

X: Company information

An ‘X sheet’ will be added to the group file for each non-OCT company developed.

HOW TO USE GROUP

This guide will work through an example to show you how you should use the Group Module. In this example, we have an accounting period ending on 31/12/2014 and files created both within ONESource and outside of it:

1. Create your group file from **File > New > Ireland corporation tax** and select Group

The period end and last period end dates should be the same as for your company files.

2. Go to **File > Link > Add companies** to add companies to the group

Browse to the .ABC file for the company you wish to add (ensuring you pick the correct accounting period) and press OK.

Note:	You can add more than one company at a time by holding down the Shift key

A | B | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | O | O2 | W - Company Information: C

	A	B	C	E
1	**Basic information**			
2	Company name		Cervelo	
3	Company file preparation status		DRAFT	
4	Reference number		9876543R	
5	Period start		1 Jan 2014	
6	Period end		31 Dec 2014	
7	Date joined group (if in period)		-	
8	Date left group (if in period)		-	
10				
11				
12	***Profits available to claim***	Tax Rate	Company info.	
13				
14	Trading profits	12.5%	€ 10,000,000	
21				
22	Total		€ 10,000,000	
23				
24				
25	***Losses claimed or surrendered***	Tax Rate	Company info.	Group module Group relief claimed
26				
27	Trading losses	12.5%	€ -	€ 5,000,000
35				
36	Total		€ -	€ 5,000,000
37				
38				
39	Excess R&D credit	25%	-	€ -
40	Corporation tax payable pre tax credits group relieved	25%	€ 625,000	
41	Net capital gains tax		-	
42	DTR offset not utilised		-	
43				
44				

A 'W sheet' will be added to the group file for each company linked and relevant information inserted from the company file. There is no need to separately import the information as this is done automatically.

Should you mistakenly include a company then it can be simply removed using the **File > Link > Remove companies** command.

3. Add non-OCT companies to group

Should there be any, information for companies created outside of ONESource can be added by developing a sheet for each one from Develop on O:

Develop > **Non OCT company**

An ‘X sheet’ will be added to the group file for each non-OCT company and information that would otherwise be automatically picked up from OCT files should be entered here e.g. losses available for group relief.

A | B | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | O | O2 | W | W2 | W3 | W4 | W5 | X - Company Information: Excel Company Ltd

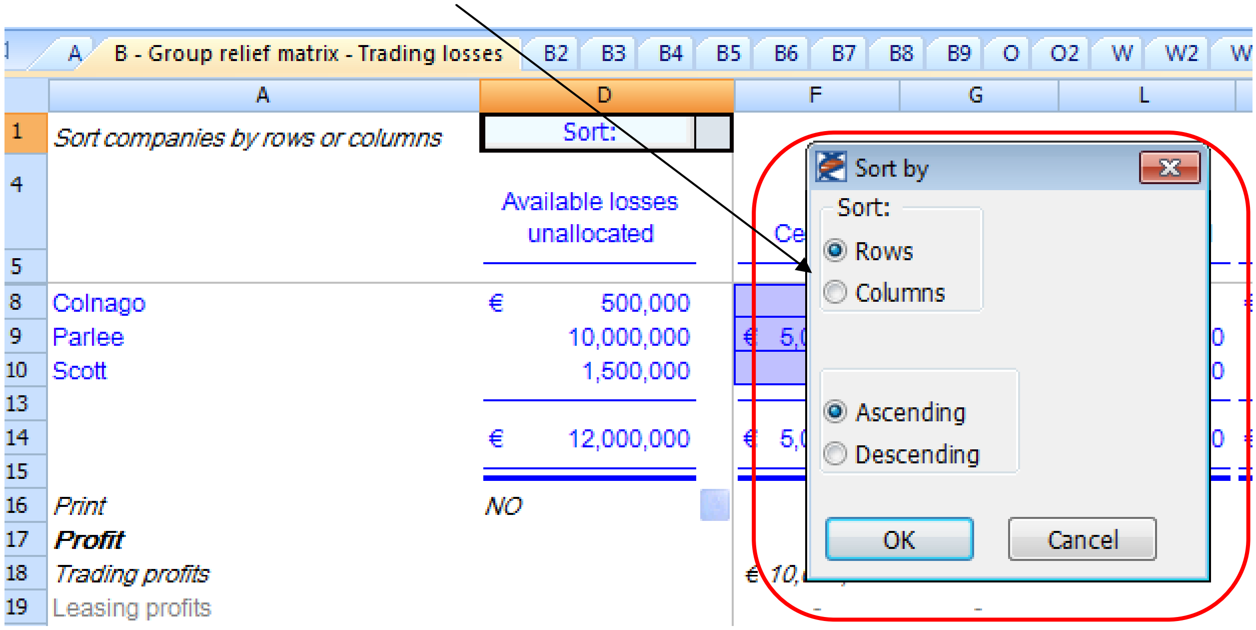
	A	B	C	D	E	F
1	**Basic information**					
2	Company name		Excel Company Ltd	*Excel Company Ltd*		
3	Company file preparation status		1234567T	*1234567T*		
4	Reference number		-			
5	Period start		-		*Please check the date*	
6	Period end		-			
7	Date joined group (if in period)		-		*Please check the date*	
8	Date left group (if in period)		-		*Please check the date*	
9	*Display order number*		€ 6			
10						
11						
12	***Profits available to claim***	Tax Rate	Company info.	Company info (data entry)		
13						
14	Trading profits	12.5%	-			
15	Leasing profits	12.5%	-			
16	Excepted trade profits	25.0%	-			
17	Case III income	25.0%	-			
18	Case IV income	25.0%	-			
19	Case V income	25.0%	-			
20	Capital gains	25.0%	-			
21						
22	Total		€ -	€ -		
23						
24						
25	***Losses claimed or surrendered***	Tax Rate	Company info.	Company info (data entry)	Group module Group relief claimed	Group module Group relief surrendered
26						
27	Trading losses	12.5%	-		€ -	€ -
28	Leasing losses	12.5%	-		-	-
29	Trading losses b/f Sec.396C	12.5%	-		-	-
30	Excepted trade losses	25.0%	-		-	-
31	Trade charges	12.5%	-		-	-
32	Case V capital allowances	25.0%	-		-	-
33	Management expenses	25.0%	-		-	-
34	General charges	25.0%	-		-	-
35						
36	Total		€ -	€ -	€ -	€ -
37						

4. Sort

An optional Sort button is included on each of the A, B and O sheets and this can be used in a variety of ways to help highlight the data you want to see.

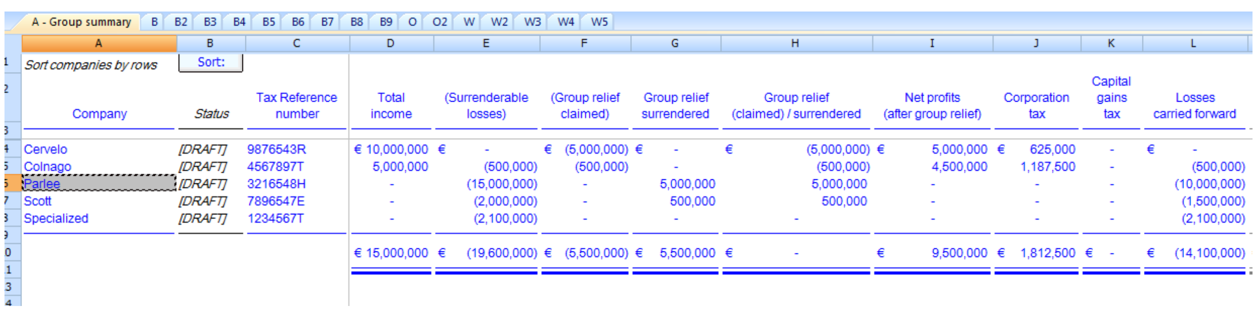
The rows on the Summary O and A schedules can be sorted according to whichever column you select e.g. alphabetically or by amount of Corporation tax due by pressing Sort and then selecting your chosen column.

Sort on the Group relief B schedules is even more powerful as you can sort by either row or column.



5. Review the values being brought into the Group Module

Once all companies have been added you can review their tax position on A.



Sort companies by rows | Sort:

Company	Status	Tax Reference number	Total income	(Surrenderable losses)	(Group relief claimed)	Group relief surrendered	Group relief (claimed) / surrendered	Net profits (after group relief)	Corporation tax	Capital gains tax	Losses carried forward
Cervelo	[DRAFT]	9876543R	€ 10,000,000	€ -	€ (5,000,000)	€ -	€ (5,000,000)	€ 5,000,000	€ 625,000	-	€ -
Colnago	[DRAFT]	4567897T	5,000,000	(500,000)	(500,000)	-	(500,000)	4,500,000	1,187,500	-	(500,000)
Parlee	[DRAFT]	3216548H	-	(15,000,000)	-	5,000,000	5,000,000	-	-	-	(10,000,000)
Scott	[DRAFT]	7896547E	-	(2,000,000)	-	500,000	500,000	-	-	-	(1,500,000)
Specialized	[DRAFT]	1234567T	-	(2,100,000)	-	-	-	-	-	-	(2,100,000)
			€ 15,000,000	€ (19,600,000)	€ (5,500,000)	€ 5,500,000	€ -	€ 9,500,000	€ 1,812,500	€ -	€ (14,100,000)

6. Enter group relief

Note:	It is best practice to deal with all group relief entries from within Group, posting these down to the company files.

Now we can allocate losses between companies on the 'B sheets'. On each, columns are shown for companies with profits available to offset and rows for those companies with losses.

Losses already claimed on other B sheets are shown at the foot of each column.

A | B - Group relief matrix - Trading losses | B2 | B3 | B4 | B5 | B6 | B7 | B8 | B9 | B10 | B11 | O | TAXPACK | W | W2

	A	D	F	H	J	K
1	*Sort companies by rows or columns*	Sort:				
4		Available losses unallocated	Argon	Parlee	Total losses surrendered	Total losses available to surrender
5						
8	Cervelo	€ 4,000,000	€ 1,000,000		€ 1,000,000	€ 5,000,000
9	Parlee	100,000			-	100,000
11						
12		€ 4,100,000	€ 1,000,000	€ -	€ 1,000,000	€ 5,100,000
13						
14	*Print*	*NO*				
15	***Profit***					
16	*Trading profits*		*€ 4,000,000*	€ -		
17	Leasing profits		-	-		
18	Excepted trade profits		-	-		
19	Case III income		-	-		
20	Case IV income		-	-		
21	Case V income		-	-		
22	*Capital gains*		-	*2,640,000*		
23						
24	*Total profits*		*€ 4,000,000*	*€ 2,640,000*		
25						
26	**Claimed**					
27	*Trading losses*		*€ 1,000,000*	€ -		
28	Leasing losses		-	-		
29	Trading losses b/f Sec.396C		-	-		
30	Excepted trade losses		-	-		
31	Trade charges		-	-		
32	Restricted Trade Charges		-	-		
33	Case V capital allowances		-	-		
34	*Management expenses*		*500,000*	-		
35	General charges		-	-		
36	Restricted Non-Trade Charges		-	-		
37	Excess R&D credit		-	-		
45						
46						

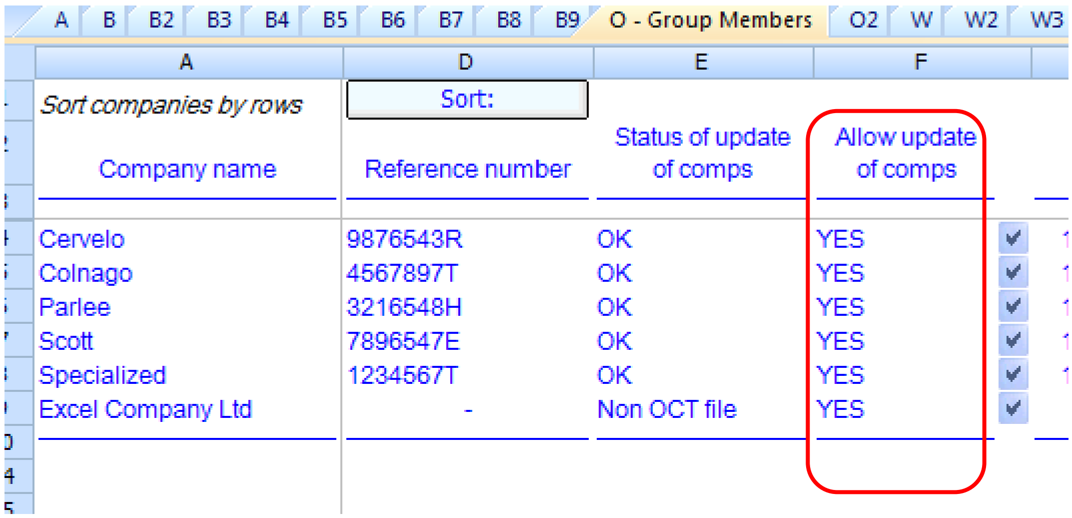
Claims between companies are entered as a **positive** number in the relevant matrix cell.

There is no need to complete all of the group relief schedules or to do them in a prescribed order.

Note:	Date joined group and date left group is shown for each company (if relevant) on each matrix to aid the user, it is not taken account of in the amounts showing as available for surrender or claim.

7. Go to **File > Link > Update Companies** to push the group relief down to the company files.

If you don't want to update a company then "Allow update of comps" can be set to No on the O sheet for companies on a case by case basis.



8. Review your choices

Once group relief has been pushed down to the company files you can review the result on the Group summary sheet A. Ensure the overall position has changed as you intended and that no errors have been created in the company files themselves.

Sheets can be printed as normal should you require a hard copy.

LIMITATIONS

Co-terminus periods

Currently, only periods of account of up to twelve months are supported and theses should all be coterminous with the Group period chosen.

Companies can only be linked to one group file

Companies can be linked to a single group file. Where you wish to add to a different group, the company would first have to be removed from the first. If you have deleted the group files that you wish to remove a company from then please contact Support.

ONESOURCE CORPORATE TAX

IRELAND - FRS102 TAX ACCOUNTING

QUICK REFERENCE GUIDE

Version 12.0

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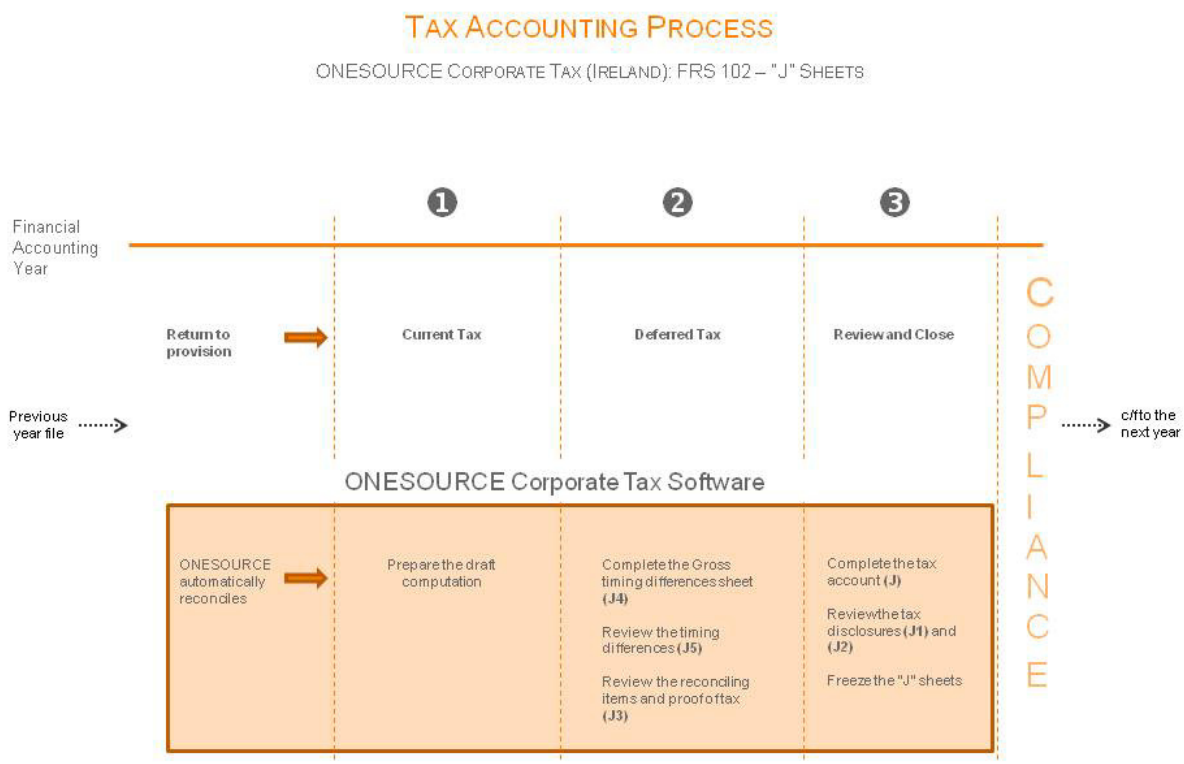
INTRODUCTION

Due to changes in Irish accounting standards, all companies must switch to either IFRS or FRS102 for accounting periods starting on or after 1 January 2015. ONESOURCE Corporate Tax supports tax accounting under FRS102. For early adopters of FRS102, the new FRS102 sheets will be available for tax accounting from 2015 onwards.

The new FRS102 sheets extract information from your tax computation to prepare the tax accounting disclosures for your accounts. This provides greater efficiency for your tax compliance processes as the draft tax computation for tax accounting purposes and the tax computation for the Return can be prepared in the same file, using much of the same data.



BRIEF OVERVIEW OF SHEETS

The FRS102 tax accounting sheets are developed from the **A** Schedule via the **Develop** menu.

Develop > **Tax accounting** > **FRS102 Tax account – I/S approach**

Tax Account: J sheet

The Tax Account details all current and deferred tax balances from opening to closing, including amounts charged to equity or Other Comprehensive Income (OCI). The "C/F per comps" column is the suggested closing tax balances, as calculated by ONESOURCE. You must, however, confirm these figures are the correct figures for the accounts by entering amounts into the "C/F per accounts" column. If you are happy with the figures in the "C/F per comps" column, a button is available to automatically populate the accounts values.

Tax accounting disclosures: J2

This sheet provides you with your tax accounting disclosures for your accounts under FRS102, including the reconciliation to total tax charge. Limited data entry should be required on this sheet.

Proof of Tax : J3

This sheet reconciles the expected tax charge on the profit or loss per the accounts to the actual total tax charge. All reconciling items are then allocated to a disclosure caption automatically (with the option to reallocate for different disclosure, as appropriate).

Gross timing differences: J4

This sheet pulls through information from the tax computation in respect of timing differences including for example fixed assets, short term timing differences and losses. You can allocate balances to OCI or equity as appropriate and, if relevant, this is where you would choose not to recognise assets.

Net timing differences: J5

Using the information from *J4*, this is a summary sheet which tax affects the gross timing differences to calculate the opening and closing deferred tax balances. The tax rate used for the deferred tax balances can be overridden on the far right of the screen, for instance if an asset/liability will reverse against higher rate profits.

We then have some working papers to support the calculations in the main sheet.

Tax input sheet: JW

Here you can override the tax rates used to calculate the deferred tax balances and to perform the tax reconciliation. There are also a number of selectors which allow you to customise what you see in the tax accounting sheets.

Fixed asset timing differences: JW2

This sheet supports the "Fixed asset timing differences" row on *J4*. It pulls in items from the fixed asset sheet and supporting sheets and also all capital allowances sheets and amalgamates them to calculate the overall gross timing difference in respect of fixed assets.

Non-qualifying, exempt and other assets: JW3

Non-qualifying items or items that need to be stripped out of the qualifying fixed asset timing difference can be entered on here.

Optional sheets

Disclosure Narrative: J1

This sheet provides example narrative to support the tax accounting figures in your accounts. The narrative can be amended as appropriate to your disclosure and will roll forward to the subsequent period.

Group relief supporting sheet: J6

On here you can analyse your group relief and other payment balances across different periods.

Foreign branch fixed assets: JW4

Allows you to analyse foreign branch fixed assets amounts separate to the Irish fixed asset amounts and recognise them at the branch rate if appropriate.

Tax payment: RA_2

A new tax payment sheet has been added to support the tax account and is developed from 'A'.

HOW TO USE THE 'J' SHEETS

This guide will work through an example computation to show you how you should complete the 'J' sheets. In this example, we have an **A4 - Adjustment to Profit** sheet as follows:

A | A2 | A3 | A4 - Adjustment Of Profit | A5 | B | C | C1 | C2

	A		B
1	Trade name:		Single
2	Trade type:		Trading
14			
15	Profit/(loss) per accounts	D, J2	€ 13,345,000
16	P&L adjustments:		
17	Other expenses	D2	150,000
19	B/S adjustments:		
21	Depreciation	C	55,000
22	Investment income	C2	(4,000,000)
24			
25	**Adjusted profit**	A	€ 9,550,000
37	Capital allowances		
38	P&M	B	(250,000)
40			
41	**Profit / (loss) after allowances**		€ 9,300,000
56			
57	**Net trade profit / (loss)**		€ 9,300,000
58			
179			

From this information, we can expect to see some permanent differences in respect of the disallowable expenses. We should also see some fixed asset timing differences in respect of the depreciation and capital allowances, and also some short term timing difference movement.

1. Complete your draft tax computation.

   This can be prepared in as much or as little detail as is required for your tax accounting disclosures.

2. Go to **Develop** > **Tax accounting** > **FRS102 Tax account – I/S approach** to develop the 'J' sheets.

A | A2 | A3 | A4 | A5 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J - Tax Account - FRS102 | J2 | J3 | J4 | J5

	A	B	E	J	K	L
1	**Details of (assets and payments) and liabilities and receipts:**					
2		B/F per accounts	Receipts/ (Payments) and other credits	Charged/ (credited) to I/S	C/F per comps	C/F per accounts (different)
3						
5	**Current tax:**					
6	Corporation tax payable					
7	Current year		€ (100,000)	€ 1,978,125	€ 1,878,125	
30						
31		€ -	↓€ (100,000)	€ 1,978,125	€ 1,878,125	€ -
32						
33	**Deferred tax:**					
34	Fixed asset timing differenc	€ -	N/A	€ 8,750	€ 8,750	
35	Timing differences	50,000	N/A	200,000	250,000	
40						
41		↓J2 € 50,000	N/A	€ 208,750	€ 258,750	€ -
42						
43	Total	↑€ 50,000	↑€ (100,000)	↓€ 2,186,875	↓€ 2,136,875	€ -
44						
45						
46	Total tax charge per computation			↑€ 2,186,875		
47	Difference in provision per the accounts			↑ (2,136,875)		
48						
49	Total tax charge per the accounts			€ 50,000		
50						
89						

The first sheet you will see is the Tax Account. This tracks the movement between opening and closing values for both current and deferred tax.

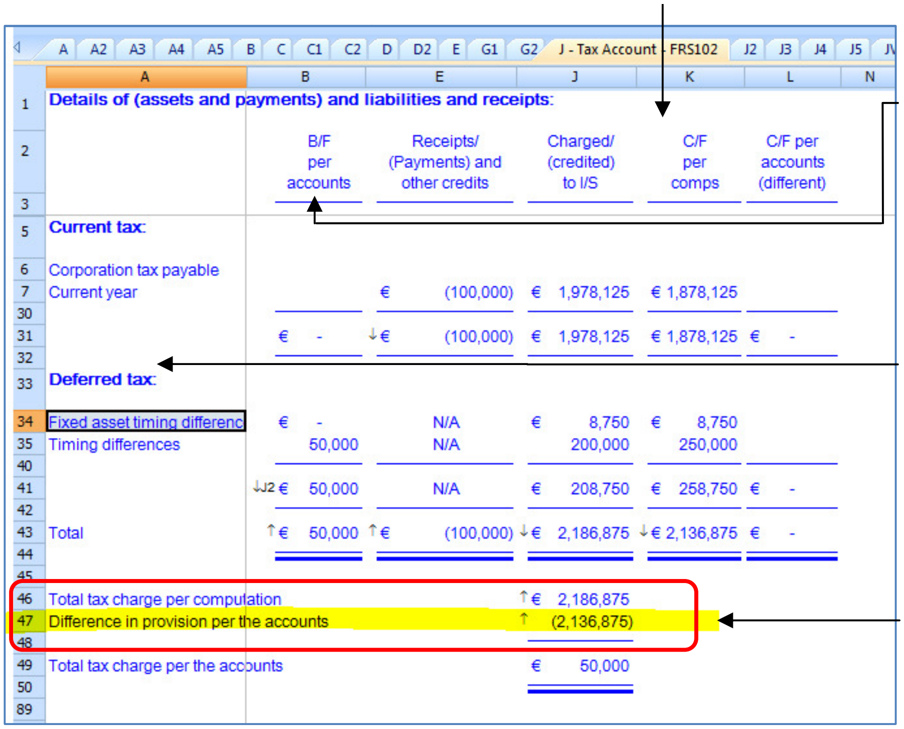
The current tax charge for the period from the 'A' sheet has pulled through automatically to the "Charged/(credited) to I/S" column.

Also on this sheet you can:

- Allocate current and deferred tax amounts to equity.
- Allocate current and deferred tax amounts to Other comprehensive Income (OCI).

Ensure that your brought forward and carry forward figures are populated correctly on the Tax Account.

The “C/F per comps” figures are the current and deferred tax amounts calculated by ONESOURCE, based on the information you have entered in the draft tax computation.

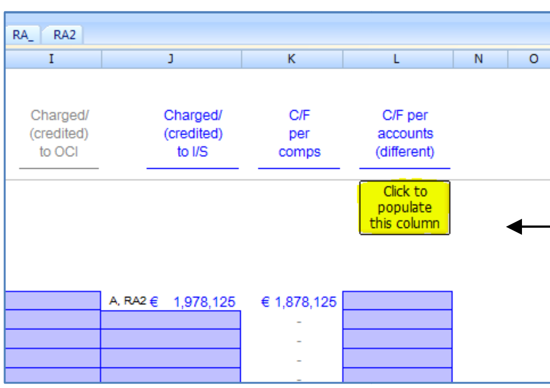


In the first year of using the ‘J’ sheets you will need to populate the “B/f per accounts” column on ‘J’ for any current tax amounts.

The deferred tax brought forward figures should be entered on ‘J4’ and they will pull through onto this sheet. On roll forward, all of the brought forward numbers will be populated automatically.

Until these are populated you will have an amount showing in the “Difference in provision per the accounts” row.

Either manually type the same numbers into the “C/F per accounts” column or click the **Click to populate this column** button provided.



Button provided to automatically populate the “C/F per accounts” column.

Note:	We suggest that the “C/F per accounts” column is completed when all the other work on the ‘J’ sheets is complete.

We will now work through the other sheets before returning to ‘J’ to enter our carry forward per accounts figures. We shall start by reviewing our gross timing differences, as explained in the next section.

3. Review the gross timing differences – J4

Amounts on here will be linked either via ‘JW2’ (Fixed asset timing differences) or straight from the tax computation. As mentioned earlier, we need to populate our brought forward per accounts values on this sheet. These numbers should be entered manually, based on the numbers in your financial statements.

	A	B	C	D	E	F	M	N	
1	**Timing differences (Asset)/Liability**	**Opening per accounts**						Opening per computation	
2		Total	Not recognised	Recognised in statement of equity	Recognised in OCI	Recognised in I/S		Total	
3									
4	**Fixed Assets**								
5	Fixed asset timing differences	€ (100,000)				€ (100,000)		JW2 € (100,000)	J5
7	Other	J5	J5			-			J5
8									
9		€ (100,000)	€ -	€ -	€ -	€ (100,000)		€ (100,000)	€
10									
11	**STTDs**								
12	IP trade deferred deductions	J5	J5			€ -		-	J5
13	Investment Income	€ 200,000				200,000		C2 € 200,000	J5
15	Other...	J5	J5			-			J5
16									
17		€ 200,000	€ -	€ -	€ -	€ 200,000		€ 200,000	€
18									
56	Losses								
57	Trade losses	J5	J5			€ -		A2 € -	J5
58	Qualifying Shipping	J5	J5			-		A2 -	J5

In our example we have presumed that the brought forward per accounts numbers are the same as our brought forward per comps values. If the numbers are not the same, then ONESOURCE will calculate a prior year adjustment automatically for you.

Please note:

- If any of these gross timing differences relate to balances in Equity or OCI, or perhaps should not be recognised at all, then they also need to be entered in the relevant column. By default, all items are treated as “Recognised in I/S”.

- You will also need to allocate any amounts in the “Opening per computation” and “Closing per accounts” sections to Equity, OCI or not recognised if relevant. On roll forward, the opening per accounts columns will all be populated automatically (including any amounts allocated to Equity, OCI or not recognised) however if there are any “Opening per computation” amounts that need to be allocated to Equity, OCI or not recognised, these will need to be entered as appropriate.

4. Review the fixed asset timing differences

The fixed asset timing differences row on ‘J4’ is supported by ‘JW2’ (Fixed asset timing differences) which pulls together and amalgamates all the information from the tax computation in respect of fixed assets and calculates the overall gross timing difference. We can take a look at this sheet to ensure this is including all the figures we would expect.

A | A2 | A3 | A4 | A5 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J | J2 | J3 | J4 | J5 | JW

	A	D	E	G	N
1		B/F per comps	Additions	Depreciation/ Allowances	C/F per comps
2					
3	Fixed assets at NBV	€ 500,000	€ 1,400,000	€ (55,000)	€ 1,845,000
10	(Less) non qualifying assets	-	(400,000)	-	(400,000)
12					
13	Qualifying NBV	€ 500,000	€ 1,000,000	€ (55,000)	€ 1,445,000
14	(Less) TWDV:				
22	Plant pool	(600,000)	(1,000,000)	250,000	(1,350,000)
27					
28	Fixed asset timing differences	€ (100,000)	€ -	€ 195,000	€ 95,000
29					
30					

Amounts from the Fixed Assets sheet (‘C’) and the capital allowance pools have been linked through automatically.

Amounts in respect of non qualifying assets are pulled through from the draft computation where they can be identified, namely non qualifying additions and disposals. All other information in respect of non-qualifying assets needs to be entered manually. As can be seen, the non qualifying additions have pulled through automatically, but in our example there is also some non qualifying depreciation in respect of that asset. This should be entered on ‘JW3’. Any other non qualifying expenditure or amounts that need to be stripped out of the qualifying fixed asset timing differences can also be entered on JW3.

	A	D	E	F	G	H	I	J	M	N	O
1		B/F per comps	Exempt b/f amount transferred in	Additions	(Disposals)	(Depreciation/ Allowances)	Transfer of trade /other transfer in	Transfer of trade/ other transfer (out)	Other	Movement	C/F per comps
2											
3	Non qualifying assets			€ 400,000	C1 -	€ (10,000)				€ (10,000)	€ 390,000
4	Non-qualifying expenditure on new intangible assets									-	-
5	Finance lease assets									-	-
8	Other									-	-
9											
10	Non-qualifying NBV	JW2 € -	JW2 € -	JW2 € 400,000	JW2 € -	J3, JW2 € (10,000)	JW2 € -	JW2 € -	JW2 € -	€ (10,000)	€ 390,000
11											
12											

If we go back to JW2 you can see that the depreciation has now been adjusted for.

A | A2 | A3 | A4 | A5 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J | J2 | J3 | J4 | J5 | JW

	A	D	E	G	N
1		B/F per comps	Additions	Depreciation/ Allowances	C/F per comps
2					
3	Fixed assets at NBV	€ 500,000	€ 1,400,000	€ (55,000)	€ 1,845,000
10	(Less) non qualifying assets	-	(400,000)	10,000	(390,000)
12					
13	Qualifying NBV	€ 500,000	€ 1,000,000	€ (45,000)	€ 1,455,000
14	(Less) TWDV:				
22	Plant pool	(600,000)	(1,000,000)	250,000	(1,350,000)
27					
28	Fixed asset timing differences	€ (100,000)	€ -	€ 205,000	€ 105,000
29					
30					

For this example, as the fixed asset timing differences are now complete, we can go back to ‘J4’.

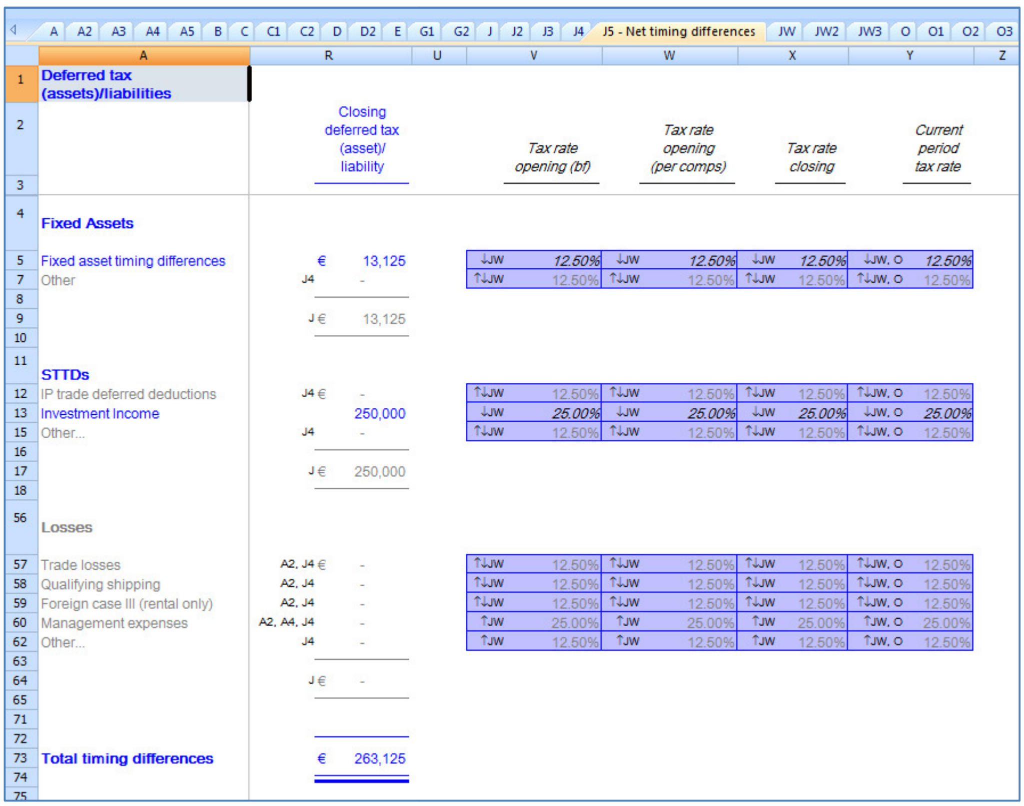
5. Review the short term timing difference and losses

The balances pull through directly from the computation sheets for timing differences and losses therefore there are no supporting sheets required for these. In this example, we are happy that all our gross timing differences are complete. Now you can move onto Net timing differences.

6. Review the net timing differences - J5

Note:	No data entry should be required on here as this sheet applies a tax rate to the gross timing differences from ‘J4’ to calculate the deferred tax balances for the accounts. The default rate used is either 12.5% or 25% depending on the rate at which the assets/liabilities are expected to reverse.

You can override the rates at which the deferred tax balances are recognised on the right hand side of the sheet, on a line by line basis. In this example, everything should be recognised at either 12.5% or 25%, so we will not be making any changes.



	A	R		V	W	X	Y
1	Deferred tax (assets)/liabilities						
2			Closing deferred tax (asset)/ liability	Tax rate opening (bf)	Tax rate opening (per comps)	Tax rate closing	Current period tax rate
3							
4	Fixed Assets						
5	Fixed asset timing differences	€	13,125	↓JW 12.50%	↓JW 12.50%	↓JW 12.50%	↓JW, O 12.50%
7	Other	J4	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
8							
9		J €	13,125				
10							
11	STTDs						
12	IP trade deferred deductions	J4 €	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
13	Investment Income		250,000	↓JW 25.00%	↓JW 25.00%	↓JW 25.00%	↓JW, O 25.00%
15	Other...	J4	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
16							
17		J €	250,000				
18							
56	Losses						
57	Trade losses	A2, J4 €	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
58	Qualifying shipping	A2, J4	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
59	Foreign case III (rental only)	A2, J4	-	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW 12.50%	↑↓JW, O 12.50%
60	Management expenses	A2, A4, J4	-	↑JW 25.00%	↑JW 25.00%	↑JW 25.00%	↑JW, O 25.00%
62	Other...	J4	-	↑JW 12.50%	↑JW 12.50%	↑JW 12.50%	↑JW, O 12.50%
63							
64		J €	-				
65							
71							
72							
73	Total timing differences	€	263,125				
74							
75							

7. Check the proof of tax - J3

Now that we are happy that our deferred tax is correct, we should check that the Proof of tax reconciles. This sheet reconciles the expected tax charge based on the profit or loss per the accounts, with the *actual* tax charge per the accounts. The rate used for the reconciliation is set on ‘JW’. It is here for example that the higher non-trading income rate of 25% could be chosen rather than trading income rate of 12.5%.

A | A2 | A3 | A4 | A5 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J | J2 | J3 | J4 | J5 | JW - Tax input sheet

	A	B		C		D	E
1	**Tax rates**		**Rates**	**Override**		**Rate used**	
2	Current tax rate for previous financial year	↓O	12.50%				
3							
4	Opening deferred tax standard rate	↓	12.50%		↑↓J5	12.50%	
5	Revised opening deferred tax standard rate	↑	12.50%		↑J5	12.50%	
6	Opening deferred tax higher rate	↓	25.00%		↓J5	25.00%	
7	Revised opening deferred tax higher rate	↑	25.00%		↑J5	25.00%	
8							
9	Current year standard rate (used for proof of tax)	J5, O	12.50%		J3	12.50%	
10	Current year higher rate	J5, O	25.00%			25.00%	
11							
12	Closing deferred tax standard rate		12.50%		J5	12.50%	
13	Closing deferred tax higher rate		25.00%		J5	25.00%	
14							
15	Prior year comparative tax rate (used in disclosures on J2)		12.50%			12.50%	
21							

As we can see below, in this example, we have permanent items as these are always reconciling items. We also have some non-trading income taxed at a rate above the trading income rate of 12.5% chosen to rec at.

A | A2 | A3 | A4 | B | C | C1 | C2 | D | D2 | E | G1 | G2 | J | J2 | J3 - Proof of tax | J4 | J5 | JW | JW2 | JW3 | O | O1 | O2 | O3 | P | RA | RA_

	A	B	C	D	E	F	M
1			Tax			Expenses not	Effect of earnings taxed
2		Gross	rate	Net		deductible	at different rates
3	Profit / (loss) per accounts	€ 13,345,000	12.50%	€ 1,668,125			
4	Total tax charge per income statement			2,188,125			
5							
6	Difference to explain			€ 520,000			
7							
8	Permanent items:						
12	Single - adjustment of profit	150,000	12.50%	€ 18,750		€ 18,750	
21	Non qualifying depreciation	10,000	12.50%	1,250		1,250	
29							
30				€ 20,000			
31	Other adjusting items:						
51	Case IV Irish source interest received under deduction of Irish tax	4,000,000	12.50%	500,000			€ 500,000
11							
12	Total reconciling items			€ 520,000		€ 20,000	€ 500,000
13							
15							

You may have reconciling errors if non-standard adjustments have been made in the tax computation and need to be picked up in the reconciliation. If you have amounts charged to Equity or OCI, then these must be allocated to the Equity or OCI column on 'J' to ensure 'J3' reconciles.

There are columns to the right hand side of the sheet which make up the disclosure captions in the reconciliation of total tax charge in the accounts disclosures on 'J2'. These can be amended on this sheet if required. ONESOURCE will generally allocate reconciling items to a specific column automatically, based on the nature of the item, but you can re-allocate between columns as you see fit to get the disclosure you require.

8. Revisit tax account - J

Now that you have completed your tax accounting numbers, you must complete the “C/F per accounts” column on the Tax Account. As we agree with the figures in the “C/F per comps” column, click the button provided.

9. Review accounts disclosures - J2

Now we have finished the tax accounting, let’s review our disclosures on ‘J2’.

This sheet will prepare the supporting tax notes for the income statement and balance sheet, including the reconciliation to total tax charge.

	A	B	C
1	**Tax - FRS102**		
2			Prior Period
3			
4	Current tax:		
5	Irish corporation tax on profits for the period	J € 1,962,500	
13			
14	**Total current tax**	€ 1,962,500	€ -
15			
16	Deferred tax:		
17	Origination and reversal of timing differences	↓€ 225,625	
21			
22	**Total deferred tax**	€ 225,625	€ -
23			
24	Total tax per income statement	↓€ 2,188,125	€ -
25			
44			
45	The charge for the year can be reconciled to the profit per the income statement as follows:		
46			
47			
48	Profit for the period - continuing operations	A4, D € 13,345,000	
49			
50			
51	Tax on profit at standard Irish tax rate of 12.50% (2013: 12.50%)	€ 1,668,125	€ -
52	Effects of:		
53	Expenses not deductible	20,000	
60	Effect of earnings taxed at different rates	500,000	
69			
70	Tax charge for the period	↑↓€ 2,188,125	€ -
71			
73			
74	Income tax expense reported in the income statement	↓€ 2,188,125	
76			
77		↑€ 2,188,125	-
78			

Limited data entry should be required on this sheet; however, there is a section for splitting deferred tax assets and liabilities between those recoverable within 12 months, and those after 12 months.

79	**NOTE TO THE ACCOUNTS - BALANCE SHEET AMOUNTS**		
80		31 Dec 2014	31 Dec 2013
81			
82	**Current liabilities:**		
83	Corporation tax	J € 1,862,500	
88			
89		€ 1,862,500	€ -
90			
91	**Deferred tax (assets) / liabilities:**		
92	Provision at start of period	J € 37,500	
94	Deferred tax charge to income statement for the period	↑ 225,625	
103			
104	Provision at end of period	€ 263,125	€ -
105			
106			
107			
108		Booked 31 Dec 2014	Booked 31 Dec 2013
109			
110	Fixed asset timing differences	J € 13,125	
111	Short term timing differences	J 250,000	
117			
118		€ 263,125	€ -
119			
133	**Deferred tax liabilities**		
134	Payable within 12 months	€ 263,125	€ -
136			
137		€ 263,125	€ -
138			
147			

As ONESOURCE does not know when deferred tax assets or liabilities will reverse, it automatically treats them as being recoverable within 12 months. If they are recoverable after 12 months, then you should manually reallocate them in the cells provided.

10. Freeze tax accounting sheets

Once the tax reporting process is complete and you want to update the tax computation for filing purposes, you may wish to freeze the 'J' sheets so that the values do not change. To do this, go to:

Tools > **Application tools** > **Freeze values on tax accounting sheets**

Options are also given to archive the whole file (creates a copy of the file) and to hide the 'J' sheets.

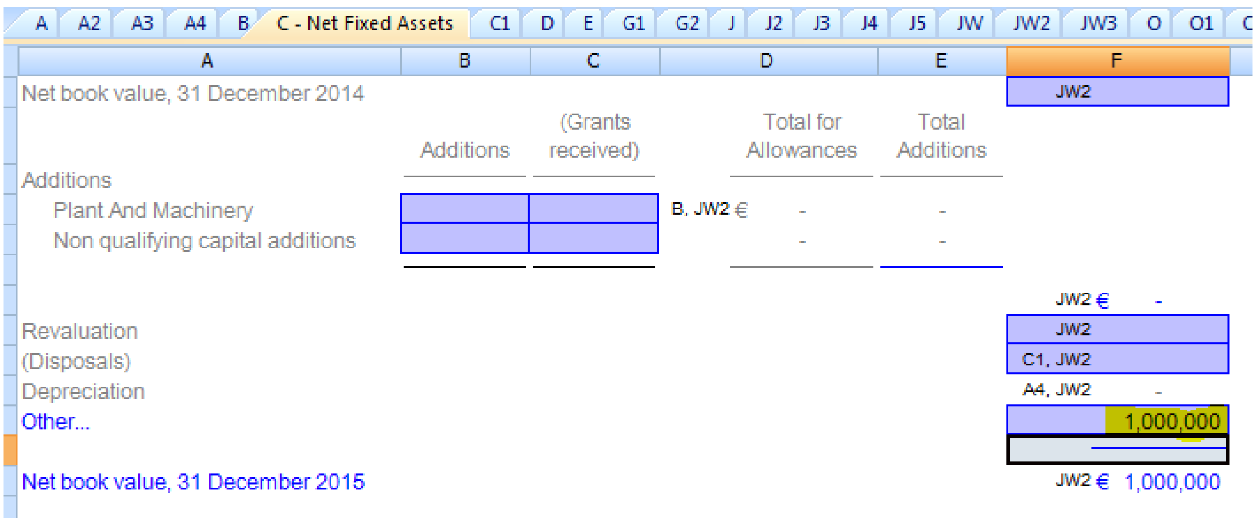
LIMITATIONS

Pensions

There is currently no provision to separately track in the main computation movements in reserves for pension schemes deductible on a paid basis. These movements can be manually entered onto ‘J4’.

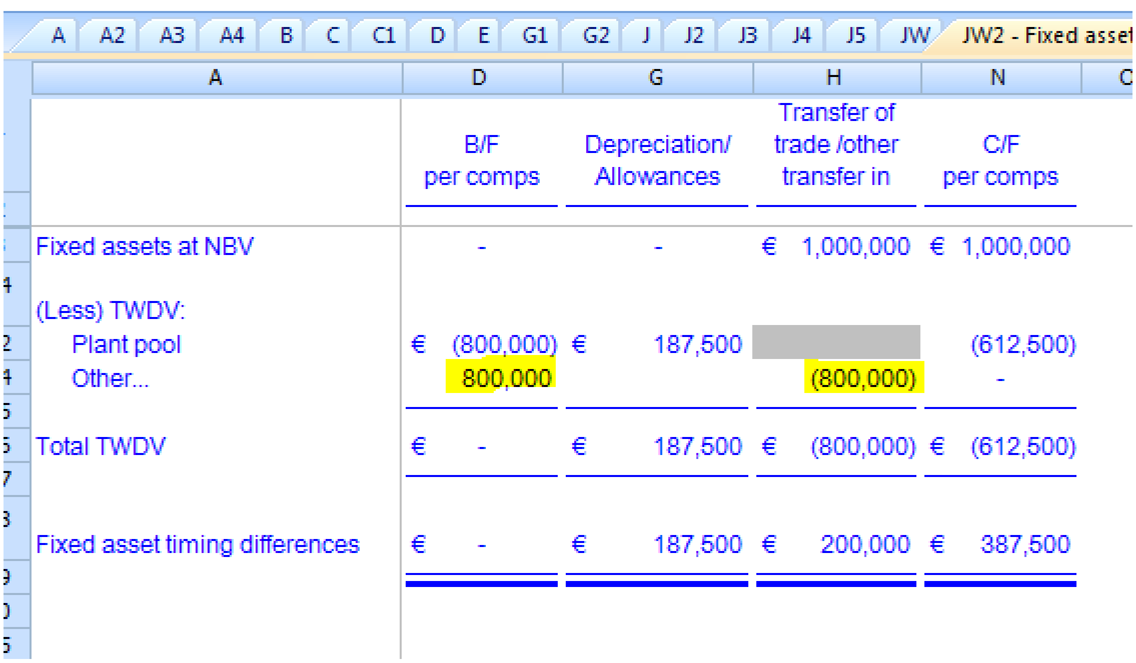
Transfers in of assets at Tax Written Down Value (“TWDV”)

Transfers in at TWDV are currently not separately supported in the fixed asset sheets; you should enter the TWDV of the asset transferred in the “TWDV b/fwd” column on ‘B’ and the NBV in one of the “Other...” rows on ‘C’. This is shown below for an asset transferred in with NBV of €1m and TWDV of €800k.



A	B	C	D	E	F
Net book value, 31 December 2014					JW2
	Additions	(Grants received)	Total for Allowances	Total Additions	
Additions					
Plant And Machinery			B, JW2 € -	-	
Non qualifying capital additions			-	-	
					JW2 € -
Revaluation					JW2
(Disposals)					C1, JW2
Depreciation					A4, JW2 -
Other...					1,000,000
Net book value, 31 December 2015					JW2 € 1,000,000

You will then need to adjust ‘JW2’ to allow for the difference. The NBV of the asset transferred in should be entered at the bottom of ‘JW2’ and an adjustment included on an “Other...” row to adjust the TWDV brought forward and TWDV Transfers in columns:



A	D	G	H	N
	B/F per comps	Depreciation/ Allowances	Transfer of trade /other transfer in	C/F per comps
Fixed assets at NBV	-	-	€ 1,000,000	€ 1,000,000
(Less) TWDV:				
Plant pool	€ (800,000)	€ 187,500		(612,500)
Other...	800,000		(800,000)	-
Total TWDV	€ -	€ 187,500	€ (800,000)	€ (612,500)
Fixed asset timing differences	€ -	€ 187,500	€ 200,000	€ 387,500

Start up relief
No deferred tax amounts are currently included for start-up relief.

Research & development
Following professional advice, enhanced research and development set-off amounts and credits do not flow through to the current tax line in the Tax account sheet. We welcome your feedback as thinking in this area develops.

Capital losses
These are not currently brought onto ‘J4’ and a manual line should be added.

Expenses not specifially disallowed in investment companies
If expenses of an investment company are not allowable for tax purposes users may either categorise and disallow these (for example, create a supporting management expenses schedule and do not include the expense in the “Allowable Management Expenses” column) or in some cases may just leave them in the P&L unlinked to the rest of the computation.

In the latter situation, the unallowable expense cannot be automatically picked up by the tax reconciliation. To overcome this, users can either make sure all expenses are “properly” disallowed or alternatively can add a manual row to the reconciliation.

Fixed assets across multiple trades at different rates
While the TWDV of assets in each trade are separately tracked, the NBV is not. A single line is therefore included on ‘J4’ for all assets qualifying for capital allowances. Where some of these are part of, for example, an excepted mining trade (taxable at 25%) and the remainder in a standard rated trade, a manual adjustment will be needed on ‘J4’ to split these out. An alternative is to enter a blended rate on ‘J5’.

Profits taxed at 12.5% trading income rate and a 25% reconcilliation rate is used
Where a company has trading profits taxed at 12.5% and is preparing reconciliation at 25% an adjustment has to be brought onto ‘J3’ to show the lower rate of tax suffered on those trading profits. Any timing difference in relation to that profit is brought onto ‘J5’ and as the rate at which you would normally want to recognize deferred tax differs from the reconciliation rate chosen, an “I/S rate difference” is generated on ‘J5’ and taken to ‘J3’ as a reconciling item.

An example below shows a trade taxable at 12.5% with a €10m provision expense with €1m of this being general in nature (i.e. deductible but in a later period):

A | A2 | A3 | A4 | C | C1 | C2 | D | E | G1 | G2 | J | J2 | J3 - Proof of tax | J4 | J5 | JW | JW2 | JW3 | O | O1 | O2 | O3

	A	B	C	D	E	M	O
1		Gross	Tax rate	Net		Effect of earnings taxed at different rates	Tax rate differences
2							
3	Profit / (loss) per accounts	€ (10,000,000)	25.00%	€ (2,500,000)			
4	Total tax charge per income statement			(1,250,000)			
5							
6	Difference to explain			€ 1,250,000			
7							
30	Other adjusting items:						
32	I/S tax rate difference - STTDs			€ 125,000			€ 125,000
71	Profits taxable at standard rate	9,000,000	12.50%	1,125,000		€ 1,125,000	
102							
103				€ 1,250,000			
108							
109	Total reconciling items			€ 1,250,000		€ 1,125,000	€ 125,000
110							
112							

Where you do not want an I/S rate difference shown you could instead override the Current Period Tax Rate and Standard Tax Rate on 'J5' for the item concerned which have defaulted to the reconciliation rate of 25% in our example:

STTDs												
IP trade deferred deductions	J4 €	-	↑↓JW	12.50%	↑↓JW	12.50%	↑↓JW	12.50%	↑↓J3, JW	25.00%	↑↓J3, JW	25.00%
General provision		(125,000)	↑↓JW	*12.50%*	↑↓JW	*12.50%*	↑↓JW	*12.50%*		*12.50%*		*12.50%*
Other...	J4	-	↑↓JW	12.50%	↑↓JW	12.50%	↑↓JW	12.50%	↑↓J3, JW	25.00%	↑↓J3, JW	25.00%
	J €	(125,000)										

This override will prevent a reconciling item appearing on 'J3' and so a manual line will now need to be added to 'J3' to compensate i.e. to gross up the profits/loss taxed/relieved at 12.5% (a €10m loss in our example):

A | A2 | A3 | A4 | C | C1 | C2 | D | E | G1 | G2 | J | J2 | J3 - Proof of tax | J4 | J5 | JW

A	B	C	D
	Gross	Tax rate	Net
Profit / (loss) per accounts	€ (10,000,000)	25.00%	€ (2,500,000)
Total tax charge per income statement			(1,250,000)
Difference to explain			€ 1,250,000
Other adjusting items:			
Profits taxable at standard rate	9,000,000	12.50%	€ 1,125,000
Additional profits taxable at standard rate	1,000,000	12.50%	125,000
			€ 1,250,000
Total reconciling items			€ 1,250,000

The above changes won't affect the tax payable or tax reconciliation as a whole but may better disclose the reason for the tax difference.

This currently affects timing differences caused by:

- IP trade deductions being deferred
- Charges not paid during the period
- Defined benefit pension expense not paid during the period

Investment companies not using a 25% reconcilliation rate

Similarly, issues arise when the reconciliation is performed for an investment company at a rate other than that normally applicable to non-trading income/expenses e.g. if 12.5% is used rather than 25%. In the following example the investment company has non-trading income of €10m and non-trade charges of the same, with €1m of the charges not paid during the period. As there are no permanent differences, reconciliation at 25% will show no reconciling items.

If instead, the reconciliation is carried out at 12.5%, a line is automatically brought in to show that €9m of the charges are deductible at 25% with another line brought in from ‘J5’ to show a deferred tax rate difference:

	A	B	C	D	E	M	O
1		Gross	Tax rate	Net		Effect of earnings taxed at different rates	Tax rate differences
2							
3	Profit / (loss) per accounts	€ -	12.50%	€ -			
4	Total tax charge per income statement			-			
5							
6	Difference to explain			€ -			
7							
33	Other adjusting items:						
35	I/S tax rate difference - STTDs			€ (125,000)			€ (125,000)
47	Case III Irish source interest receivable gross	10,000,000	12.50%	1,250,000		€ 1,250,000	
56	Charges - utlised at higher rate	(9,000,000)	12.50%	(1,125,000)		(1,125,000)	
105							
106				€ -			
111							
112	Total reconciling items			€ -		€ 125,000	€ (125,000)
113							
115							

As before, if preferred, the default tax rates on ‘J5’ can be overidden and a manual line instead added to ‘J3’:

	A	B	C	D	E	M
1		Gross	Tax rate	Net		Effect of earnings taxed at different rates
2						
3	Profit / (loss) per accounts	€ -	12.50%	€ -		
4	Total tax charge per income statement			-		
5						
6	Difference to explain			€ -		
7						
33	Other adjusting items:					
47	Case III Irish source interest receivable gross	10,000,000	12.50%	€ 1,250,000		€ 1,250,000
56	Charges - utlised at higher rate	(9,000,000)	12.50%	(1,125,000)		(1,125,000)
104	Additional deduction relievable at 25%	(1,000,000)	12.50%	(125,000)		(125,000)
105						
106				€ -		
111						
112	Total reconciling items			€ -		€ -
113						
115						

Motor vehicles – limits on allowable expenditure

The restriction of capital allowances for motor vehicle costing in excess of €24,000 is dealt with by the main computation, however, the Net Book Value of this unallowable portion is not separately tracked. The non-allowable portion of any additions are automatically taken to 'JW3' but users will need to enter any depreciation or disposal proceeds on the same sheet.

The example below shows a €100k vehicle purchased in 2014 and sold in 2015 for €40k.

Description	Year	Cost limit for allowances	Allowance rate	Original cost	TWDV b/fwd	Additions	Restricted Additions	WDA	(Disposal Proceeds)	(Restricted Proceeds)	Balancing Allowance	TWDV c/fwd
Car 2014	2014	€ 24,000	12.5%	€ 100,000	€ 21,000		€ -	€ -	€ (40,000)	€ (9,600)	€ 11,400	€ -
Car 2015	2015	24,000	12.5%	50,000		€ 50,000	24,000	3,000		-	-	21,000
				€ 150,000	€ 21,000	€ 50,000	€ 24,000	€ 3,000	€ (40,000)	€ (9,600)	€ 11,400	€ 21,000

The €50k car acquired in 2015 flows through to 'JW3' but the NBV of the non-allowable portion of the 2014 car will need to be entered (€76k assuming no depreciation):

	B/F per comps	Additions	(Disposals)	C/F per comps
Non-qualifying element of motor vehicles	€ 76,000	€ 26,000	€ (76,000)	€ 26,000
Non-qualifying NBV	€ 76,000	€ 26,000	€ (76,000)	€ 26,000

Restricted proceeds are automatically taken from the computation and combined with the NBV entered to calculate the profit or loss on disposal on the unallowable portion. This automatically feeds through to the tax reconciliation on 'J3' (€76,000 NBV less €30,400 proceeds):

	Gross	Tax rate	Net	Expenses not deductible
Profit / (loss) per accounts	€ (60,000)	12.50%	€ (7,500)	
Total tax charge per income statement			(1,800)	
Difference to explain			€ 5,700	
Permanent items:				
(Profits)/loss on disposal of restricted motor vehicles	45,600	12.50%	€ 5,700	€ 5,700
Total reconciling items			€ 5,700	€ 5,700