Corporation Tax User Guide

Statutory accounts, the Corporation Tax computation and the CT600 — prepared, reviewed and filed to HMRC and Companies House.

taxoptimiser.co.uk · 29 July 2026

Contents

CHAPTER 01

Corporation Tax: getting started

Enable the service, link Companies House, add your UTR and create your first accounting period.

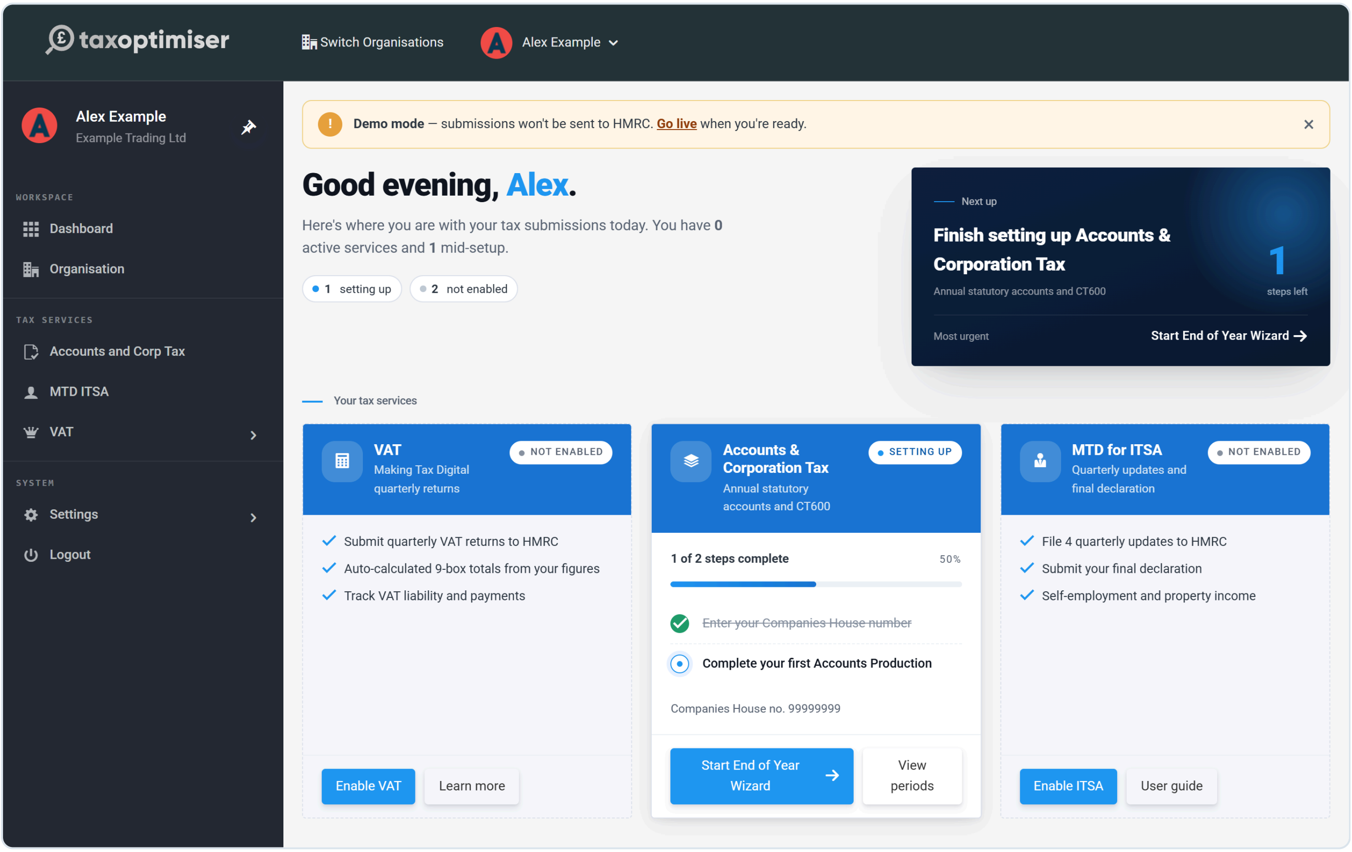
IN SHORT

- Everything files from one place: statutory accounts, CT computation and CT600
- Companies House search fills in company details automatically
- The UTR is validated with HMRC's own check-digit rules
- The due date defaults to nine months after year end
- The period Overview checklist tracks every remaining step

Tax Optimiser prepares and files your company's year-end package in one place: statutory accounts (FRS 105 or FRS 102 1A), the Corporation Tax computation, and the CT600 return — filed directly to HMRC and Companies House. This guide walks the whole journey; this first article gets your company set up and your first accounting period created.

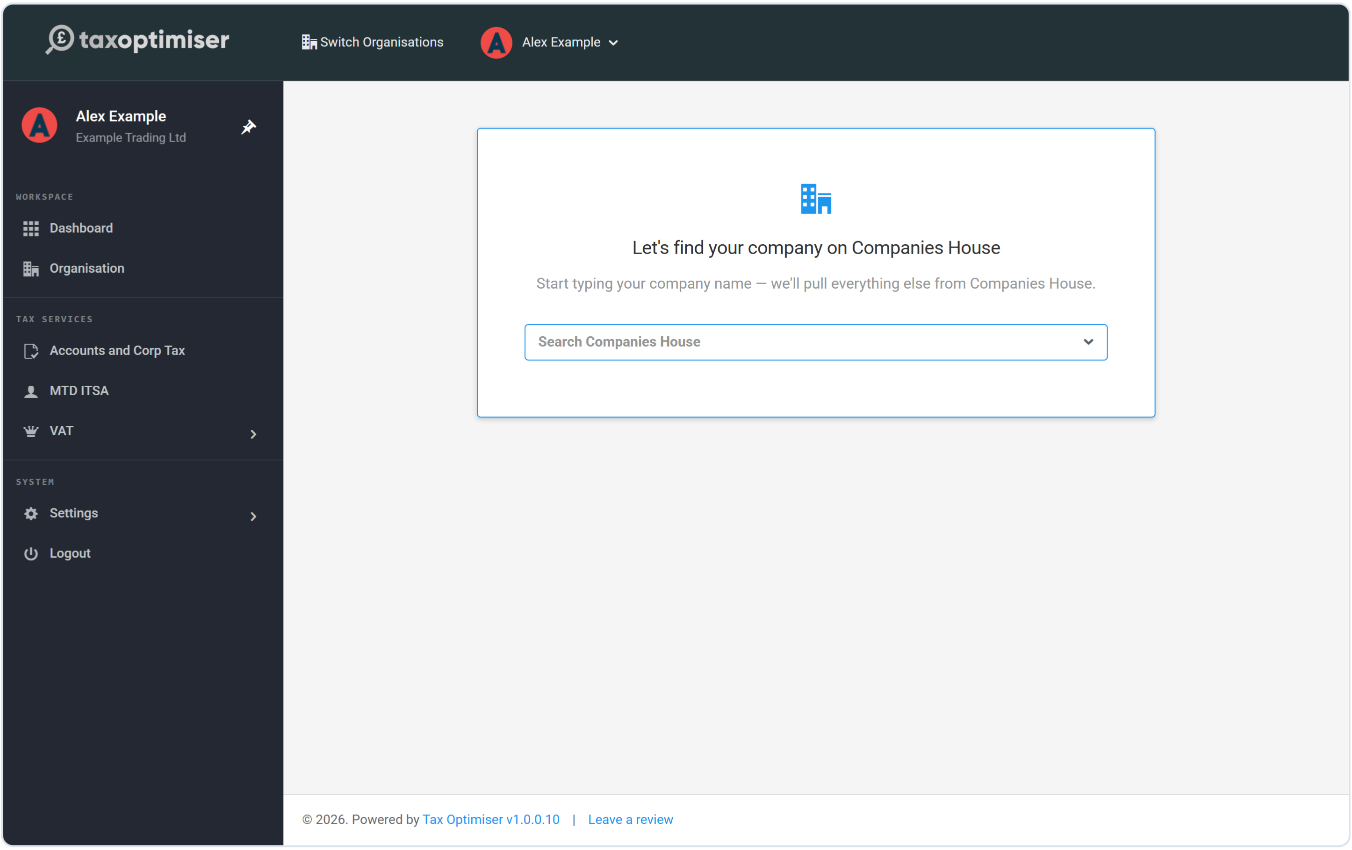
Enable the Accounts & Corporation Tax service

From your dashboard, find the **Accounts & Corporation Tax** card under *Your tax services* and click **Enable Accounts**. The card switches to *Setting up* and shows a short checklist — you can follow it from the dashboard, or use the **End of Year Wizard** which walks the same steps in a guided flow.



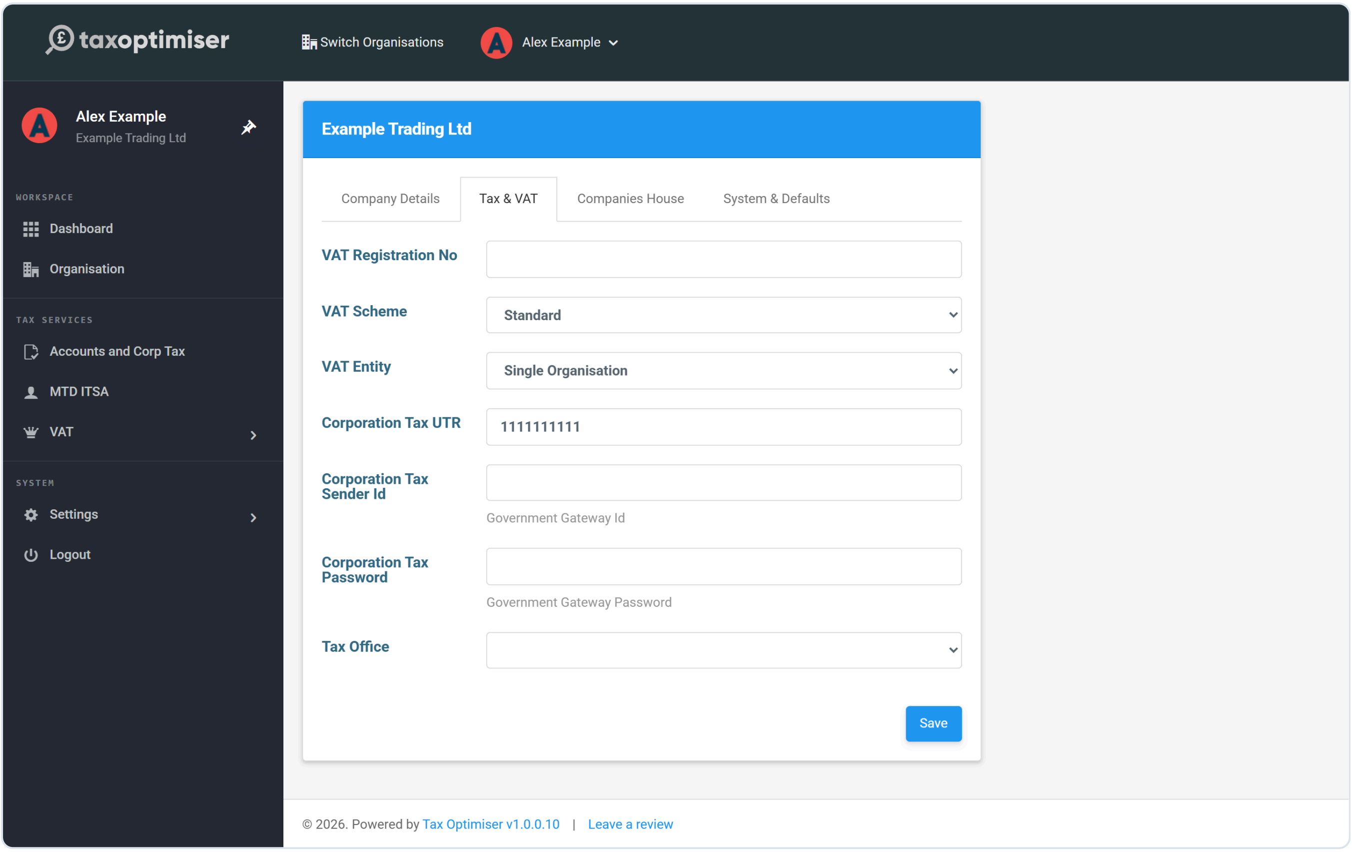
Link your company to Companies House

The wizard first asks for your company. Start typing the name and pick your company from the live Companies House search — the registered name, company number, registered office, incorporation date and filing deadlines are pulled in automatically, and your accounting period dates are suggested from your Companies House accounting reference date.



Add your Corporation Tax UTR

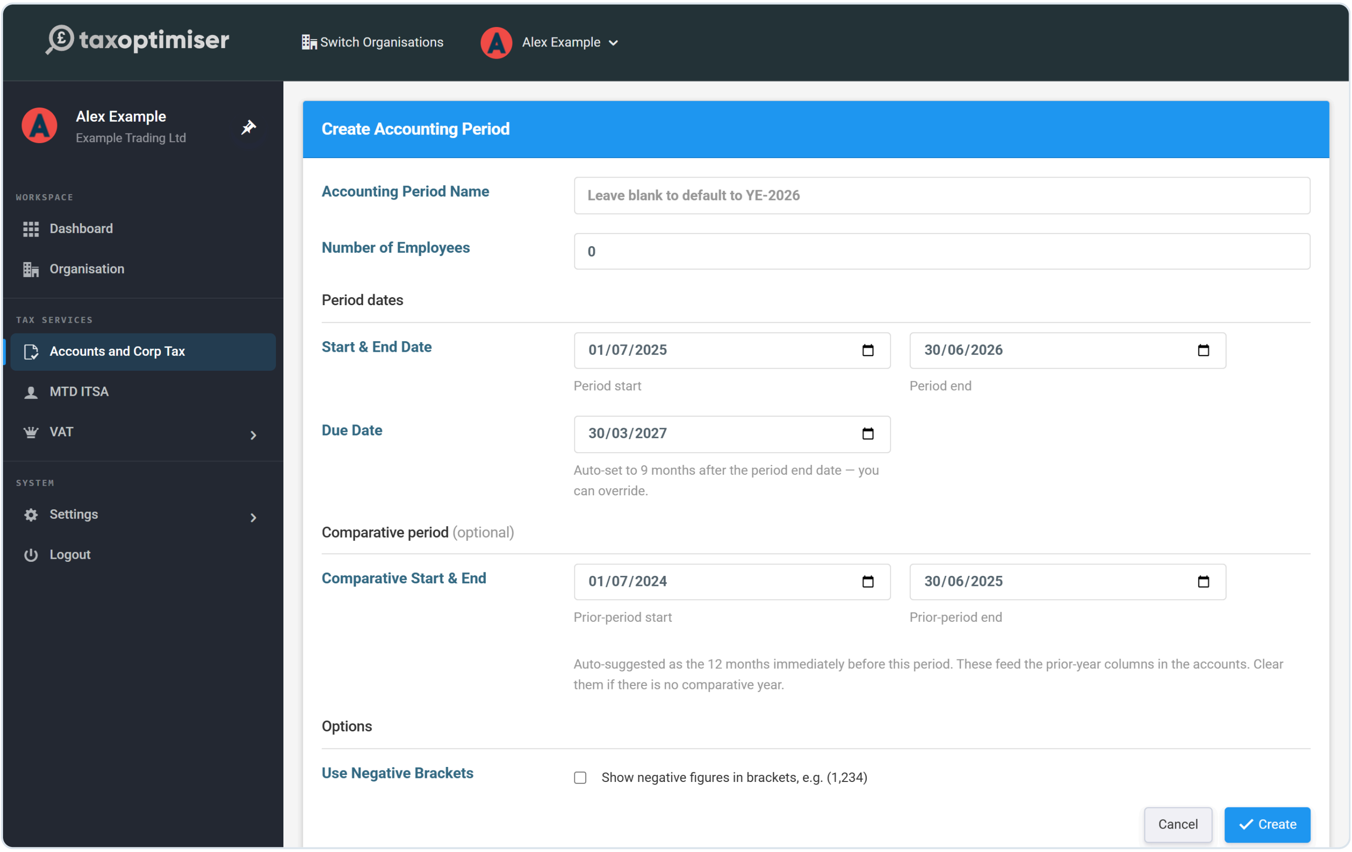
Go to **Organisation** → **Tax & VAT** and enter your 10-digit **Corporation Tax UTR** (the Unique Taxpayer Reference HMRC issued when the company was incorporated — it's on the CT603 notice and most HMRC letters). The UTR is validated against HMRC's check-digit rules as you save, so a typo is caught immediately rather than when you try to file. The Government Gateway credentials on the same tab are only needed when you come to submit.



Create the accounting period

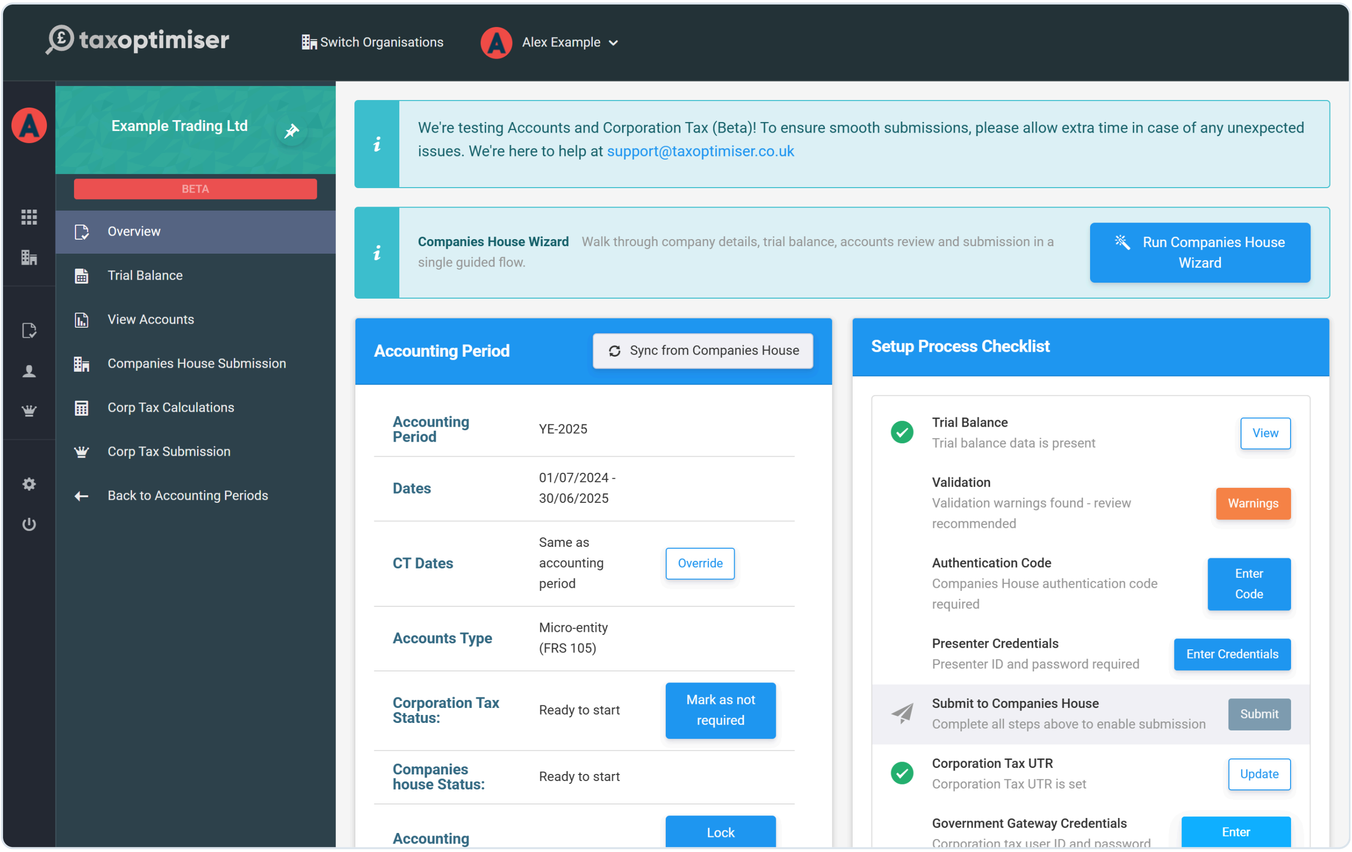
If you linked Companies House, your period is usually created for you. To create one manually, go to **Accounts and Corp Tax** and choose **Create Accounting Period**:

1. **Period dates** — the start and end of your financial year. The filing **due date** is set automatically to nine months after the year end (you can override it).
2. **Comparative period** — auto-suggested as the previous twelve months. These figures feed the prior-year columns in your accounts; clear them if this is your first year.
3. **Number of employees** — required for the statutory accounts (an average for the year; 0 is allowed if correct).



Your period overview

Each accounting period has its own workspace with a menu down the left: **Overview**, **Trial Balance**, **View Accounts**, **Companies House Submission**, **Corp Tax Calculations** and **Corp Tax Submission** — that order is the journey this guide follows. The *Setup Process Checklist* on the right of the Overview tracks what's done and what's still needed, and each item links straight to the screen that completes it.



Next: get your numbers in — see *Getting your numbers in: the trial balance.*

CHAPTER 02

Getting your numbers in: the trial balance

Import from Xero, QuickBooks or a spreadsheet, or key the trial balance by hand - then make sure it balances.

IN SHORT

- The trial balance feeds accounts, computation and CT600 alike
- Xero, QuickBooks, spreadsheet upload or manual entry
- Sales and liabilities are credits; expenses and assets are debits
- The year's profit links the P&L to the balance sheet as retained profit
- Account choice matters: entertaining and donations get tax treatment later
- Grand total debits must equal credits for both years
- Presentation journals adjust without altering imported data

Everything downstream — the statutory accounts, the tax computation and the CT600 — is built from the period's trial balance, so this is the step to get right. Open your accounting period and choose **Trial Balance** from the left menu.

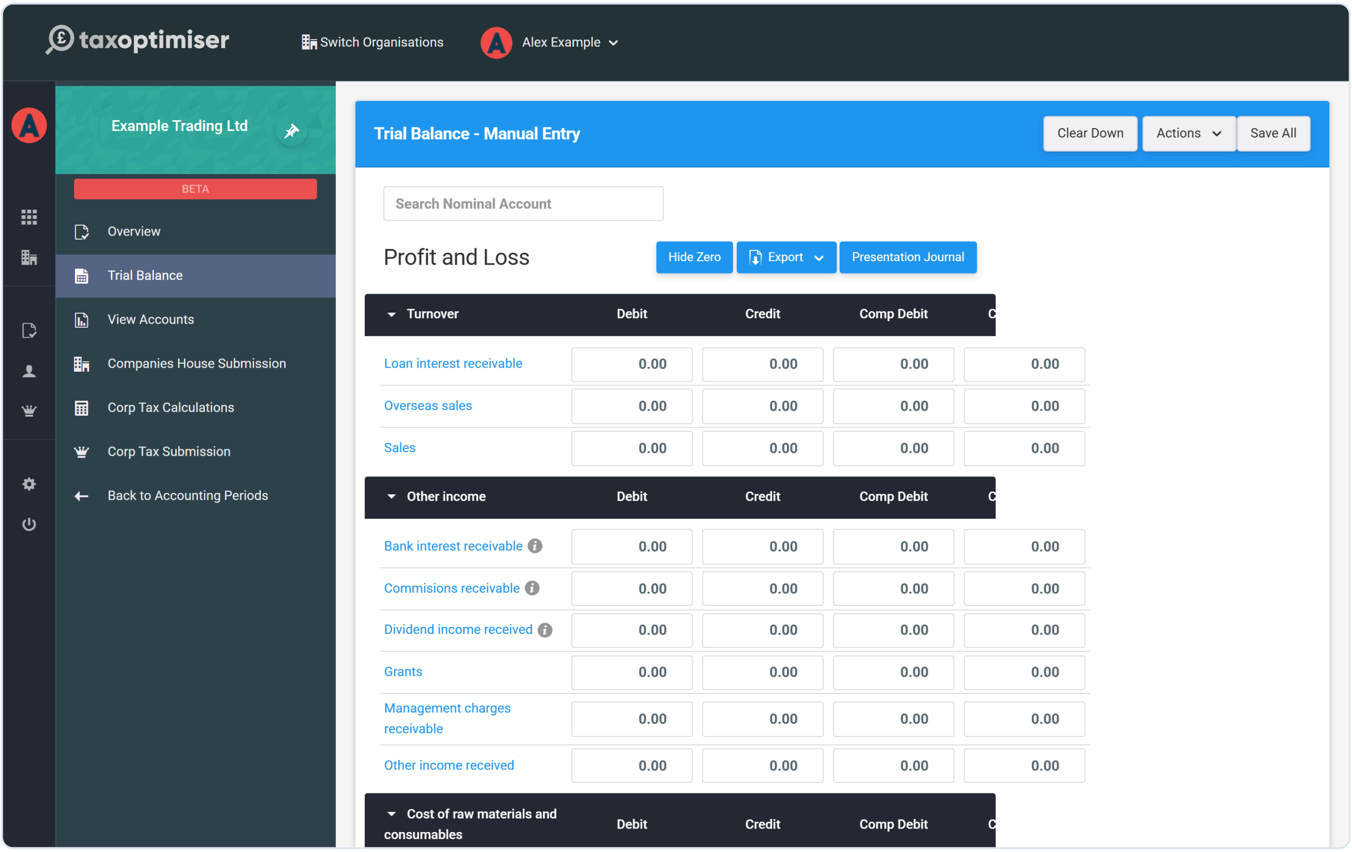
Four ways to bring figures in

When a period has no data yet you're offered four routes:

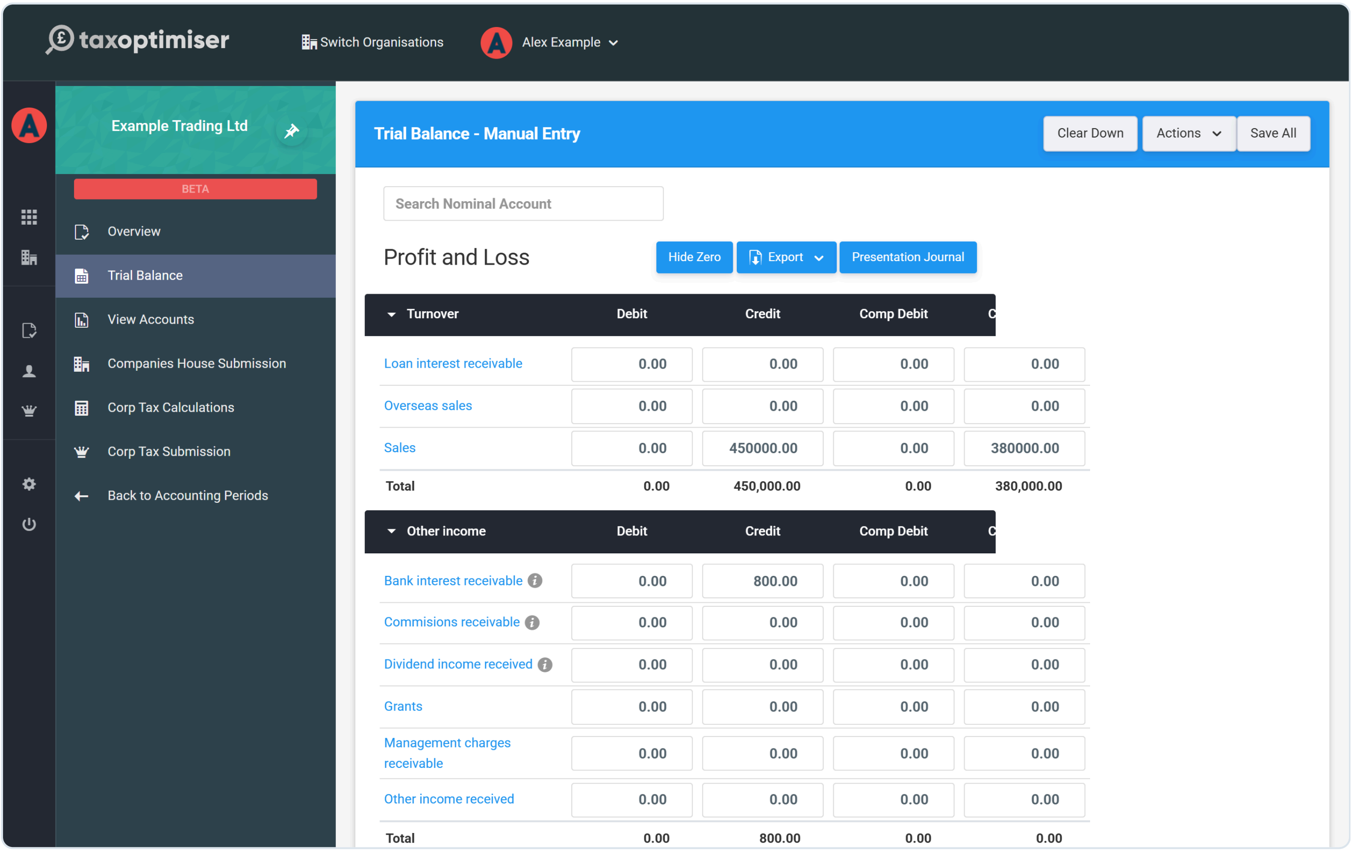
- **Connect to Xero** or **Connect to QuickBooks** — authorise once and your year-end trial balance syncs across, mapped to the statutory account headings.
- **Import from spreadsheet** — upload an Excel/CSV trial balance export from any other bookkeeping system. See *Import a trial balance from a spreadsheet* for the full walkthrough, including templates for Xero and Sage 50 exports and AI-assisted account mapping.
- **Manual entry** — type the figures straight into a structured grid. This is also where you review and adjust whatever you imported.

The manual entry grid

The grid is organised in the same groupings as the statutory accounts — Turnover, Other income, Cost of raw materials, Staff costs, Depreciation, Other charges, then the balance sheet headings. Each named account row has four columns: **Debit** and **Credit** for the current year, and **Comp Debit**/**Comp Credit** for the comparative year. Use the search box to jump to an account by name, and **Hide Zero** to collapse everything you haven't used.



Enter each balance against the most specific account that matches — the account you pick drives both where the figure lands in the accounts and how the tax computation treats it. For example, *Client Entertaining* and *Charitable Donations* have their own rows so the tax side can pick them up later; depreciation belongs on the *Depreciation* rows with the matching balance-sheet movement under fixed assets.



Debits and credits: a two-minute primer

If you've never kept books before, the **Debit** and **Credit** columns can look intimidating — but the idea behind them is simple. Every transaction has two sides: money comes *from* somewhere and goes *to* somewhere. Make a sale and cash arrives in the bank (one side) because a customer paid you (the other). Bookkeeping records both sides — that's all "double-entry" means — and the trial balance is simply the year-end total of every account, each balance sitting on its debit or credit side.

You don't need to reason it out from first principles — these conventions cover almost everything:

Type of account	Examples	Normally a…
Sales and other income	Sales, bank interest received	**Credit**
Expenses	Rent, wages, insurance, accountancy fees	**Debit**
Assets — things the company owns or is owed	Bank balance, equipment, money owed by customers	**Debit**
Liabilities — what the company owes	Loans, unpaid supplier bills, tax due	**Credit**
Capital — the owners' stake	Share capital, profits kept in the company	**Credit**

A useful rule of thumb: **income you've earned and amounts you owe go on the credit side; costs you've paid and things you own go on the debit side**. And a balance on the "wrong" side isn't an error — it usually means something real: a bank account in the credit column is an overdraft, and a debit on a sales row is usually a refund.

How the P&L and balance sheet fit together

The grid's sections split into the same two statements your accounts will show:

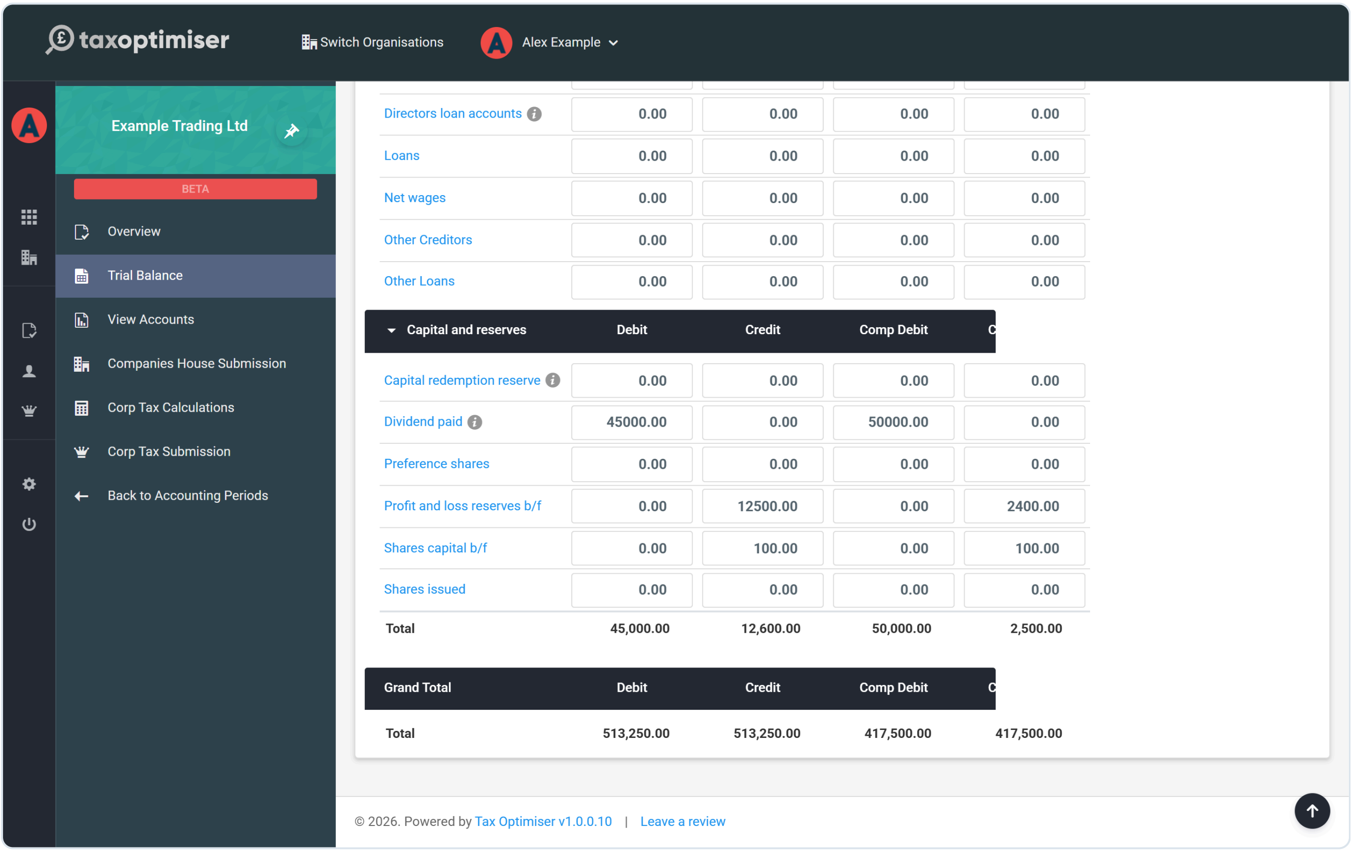
- **Profit and loss** rows (Turnover down to Other charges) tell the story of the *year*: income minus expenses equals the year's profit.
- **Balance sheet** rows (fixed assets, debtors, bank, creditors, capital and reserves) are a *snapshot of the last day of the year*: what the company owns, minus what it owes, is what belongs to the owners.

One figure links the two: profit. The year's profit belongs to the owners, so it sits in the balance sheet as retained profit within capital and reserves — which is why *assets minus liabilities* always equals *share capital plus retained profits*. The profit and loss account simply explains *how* that retained profit changed during the year.

This is also why the trial balance must balance. Every transaction was recorded with equal debit and credit sides, so across the whole grid total debits always equal total credits. If they don't, nothing mysterious has happened — a figure has been missed, typed once instead of twice, or put on the wrong side, and the size of the difference is the clue to which one.

Check it balances

Every section shows a running total and the **Grand Total** at the bottom must show equal debits and credits for each year before you move on. If the two sides don't agree, work down the per-section totals to find the entry that's missing or on the wrong side. **Save All** stores the grid; the period Overview checklist ticks off *Trial Balance* once balanced data is present.



Journals

If you need year-end adjustments without changing the imported figures — accruals, prepayments, reclassifications — use the **Journals** area on the Trial Balance screen. A *presentation journal* adjusts the final trial balance while leaving the imported figures untouched, so you keep a clean audit trail back to your bookkeeping system.

CHAPTER 03

Building the Corporation Tax computation

Work through the calculation sections - disallowables, adjustments, donations and non-trade income - and watch the payable figure update live.

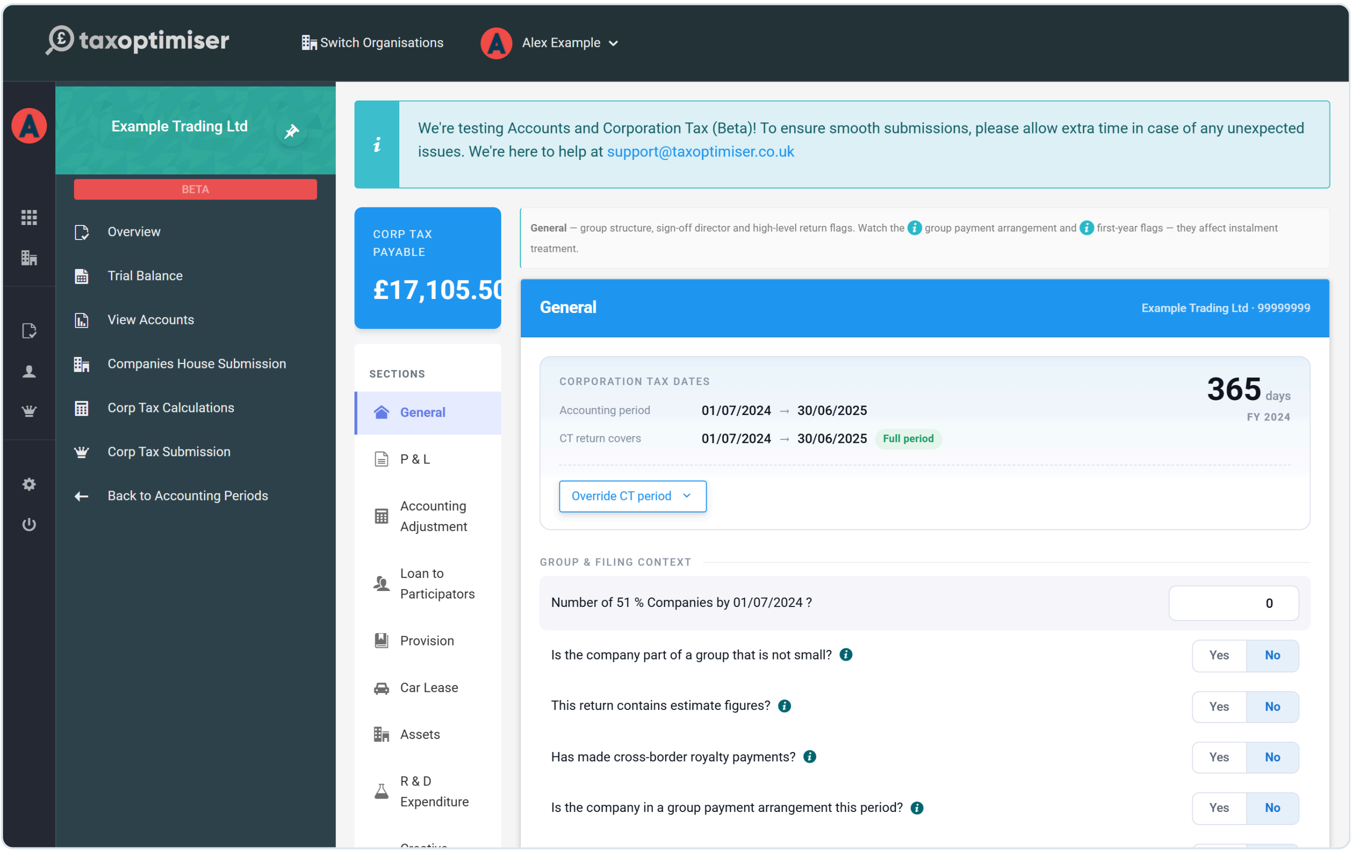
IN SHORT

- The Corp Tax Payable headline updates as you edit each section
- Disallowables are entered per P&L line with automatic schedules
- Donations: enter once in the Donations section, never twice
- Bank interest is auto-treated as a non-trade credit
- Associated companies scale the marginal relief limits

Open **Corp Tax Calculations** from the period menu. The headline **Corp Tax Payable** figure at the top recalculates the moment you change anything, and the *Sections* menu beneath it breaks the computation into focused screens. You won't need every section — work down the list and complete the ones that apply.

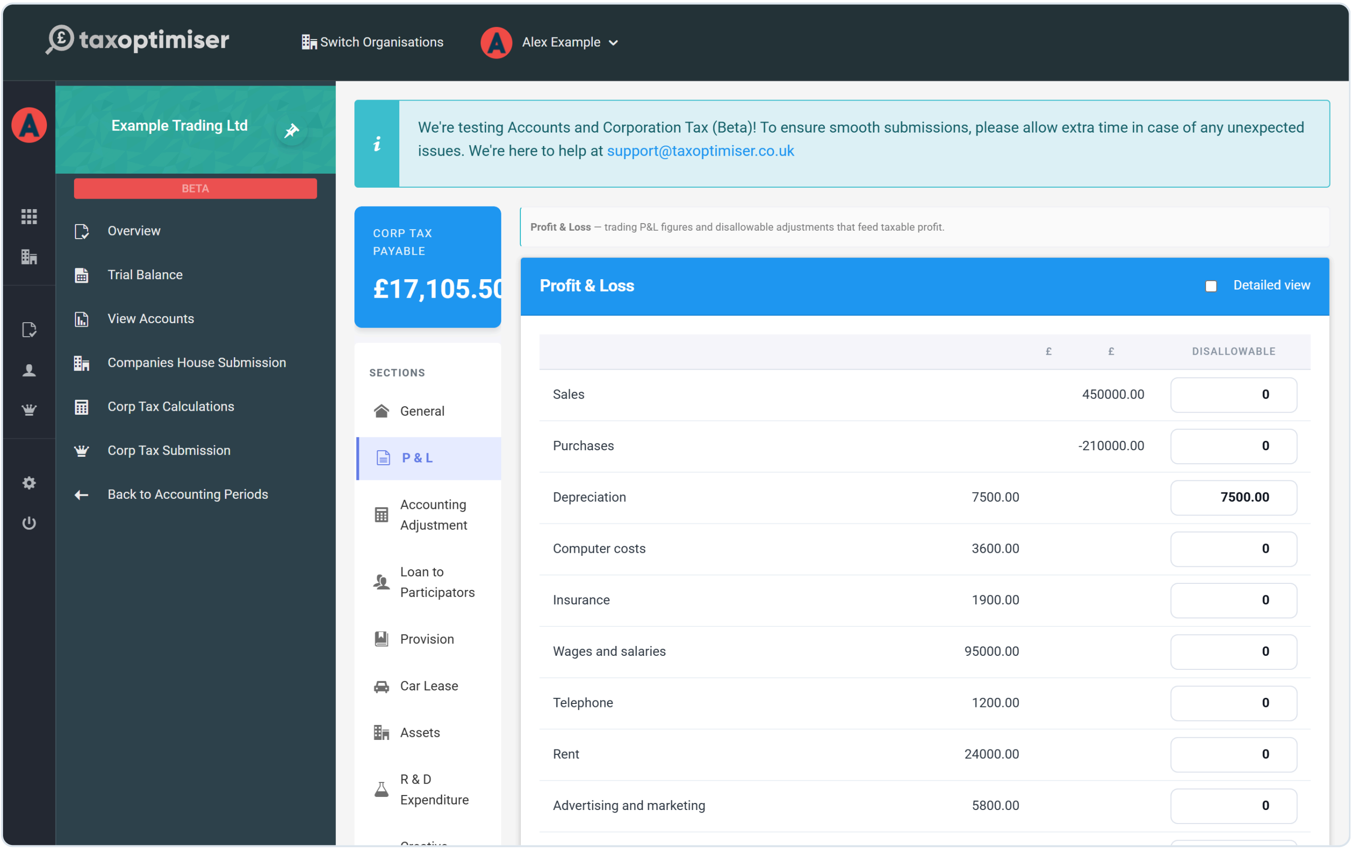
General

Start here. Check the CT return period matches the accounting period (it's split automatically if your accounts run longer than twelve months), answer the group and filing questions — 51% group companies, estimated figures, group payment arrangements — and choose the **director accepting** the declaration. The number of associated companies matters: it scales down the marginal relief limits that decide your tax rate.



P & L and disallowables

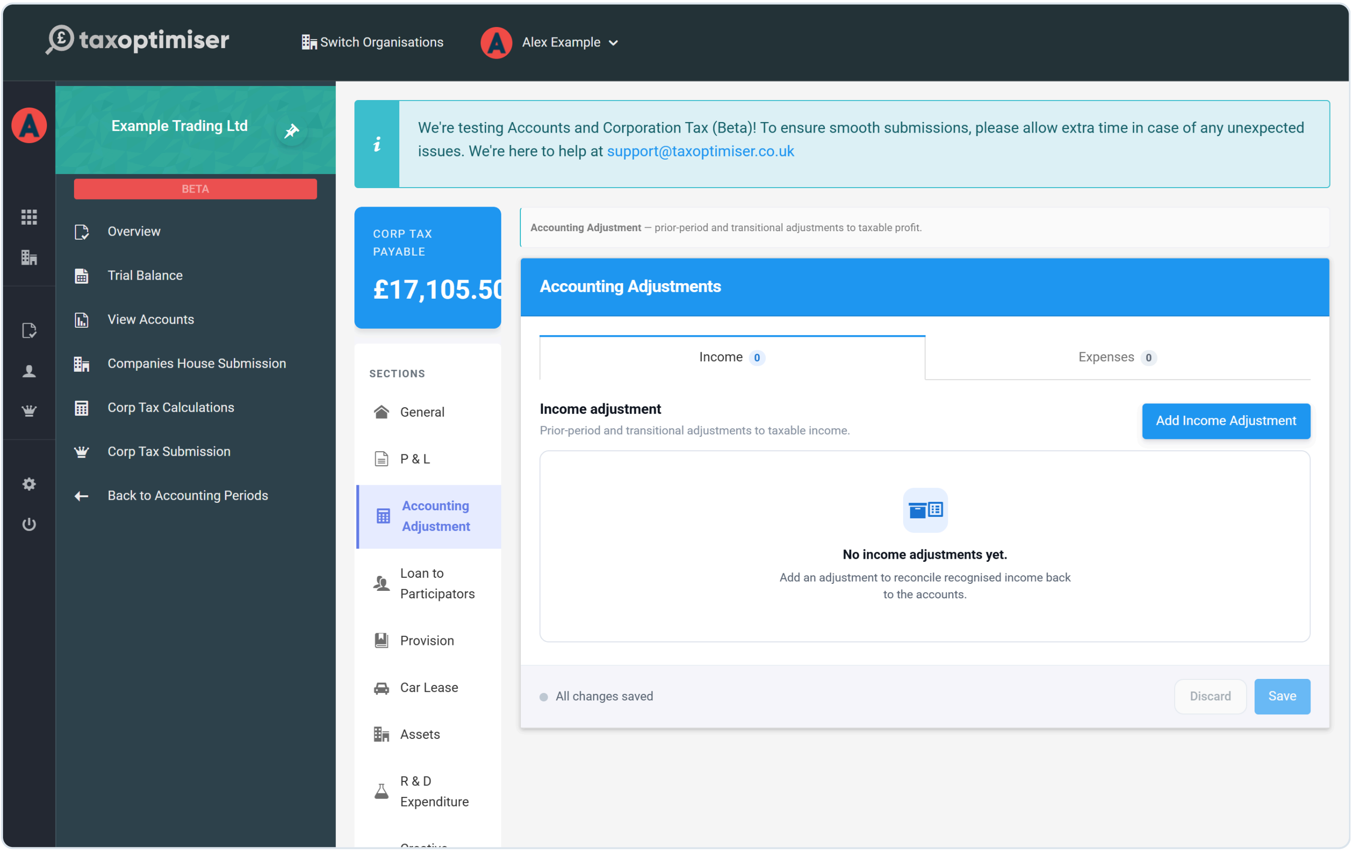
The P&L section lists your profit and loss accounts straight from the trial balance, each with a **Disallowable** box. Enter the part of each expense that isn't deductible for Corporation Tax — the classic example is client entertaining, which is disallowed in full. Anything you put here is added back to profit in the computation, with a supporting schedule created automatically.



Two things you do *not* need to add back here, because dedicated sections handle them: **depreciation** pairs with capital allowances (see the next article — though you do disallow the P&L depreciation charge itself), and **charitable donations** are added back and relieved automatically once entered in the Donations section below.

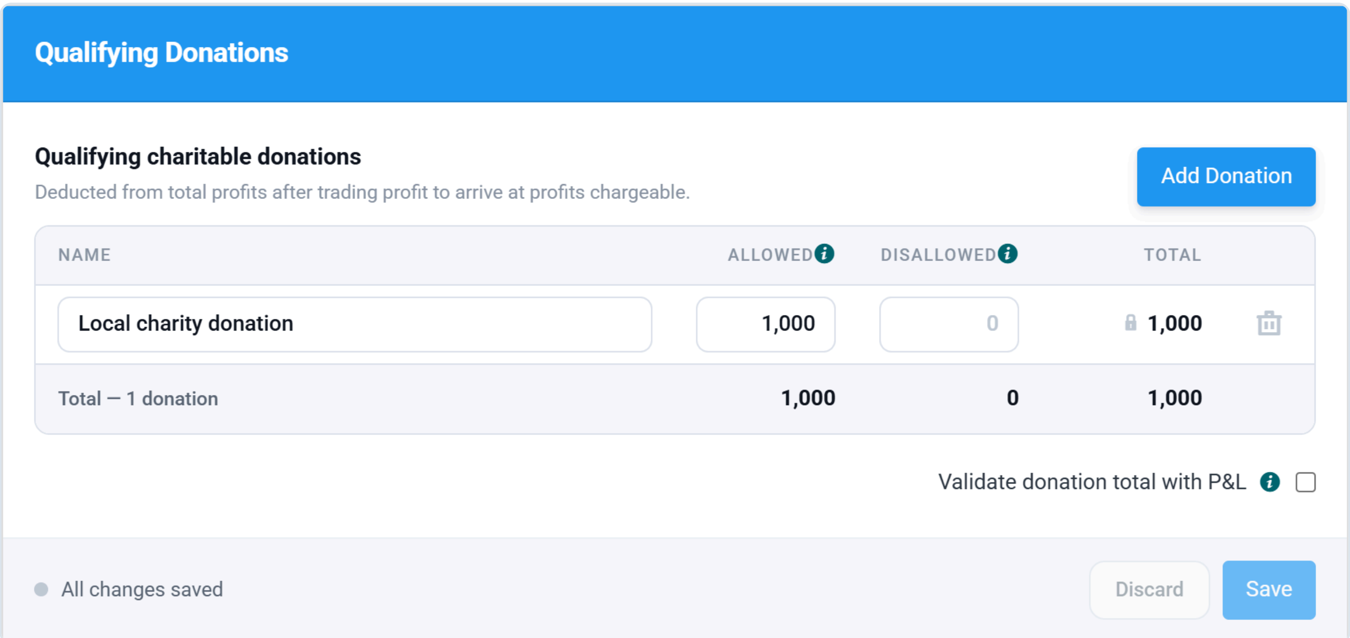
Accounting adjustments

Prior-period and transitional adjustments to taxable profit that aren't simple disallowables — income to recognise back to the accounts, or expense adjustments — live in their own section with separate income and expense tabs.



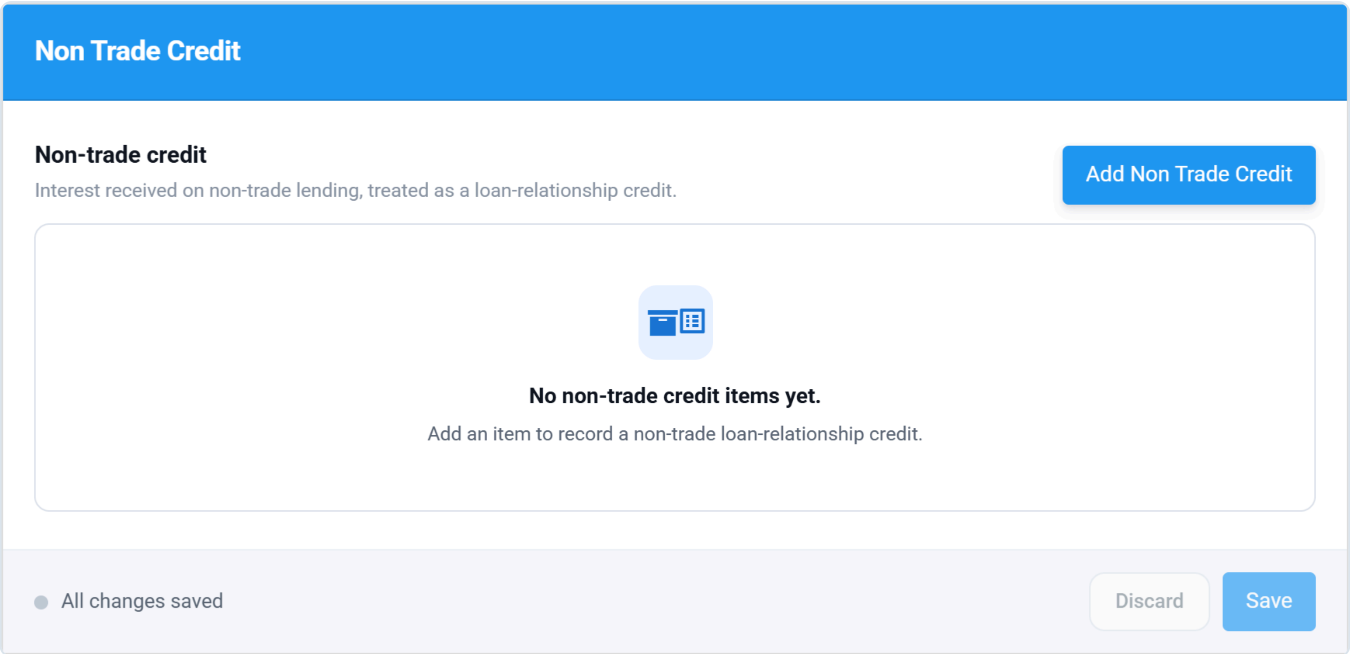
Donations

Enter qualifying charitable donations here. They're treated exactly as HMRC expects: added back to trading profit, then deducted from *total* profits to arrive at profits chargeable. Don't also disallow them in the P&L section — that would double-count the add-back. The *validate donation total with P&L* option cross-checks the section against your trial balance donations row.



Non-trade income, credits and debits

Bank interest receivable from your trial balance is picked up automatically as a **non-trading loan relationship credit** — taxed, but outside trading profit. The Non Trade Income, Credit and Debit sections let you review what's been routed there and add anything else (for example interest on overpaid tax, or non-trade loan interest payable).



The other sections

The remaining sections follow the same pattern and only need attention when they apply: **Loans to Participators** (s455 tax on director/shareholder loans), **Provisions**, **Car Lease** (the flat-rate disallowance for higher-emission leased cars), **R & D Expenditure**, **Creative Industries**, **Income Tax Suffered**, **Investment Income**, **Losses** (covered later in this guide) and **Tax Avoidance** disclosures.

CHAPTER 04

Capital allowances: pools, additions and the AIA

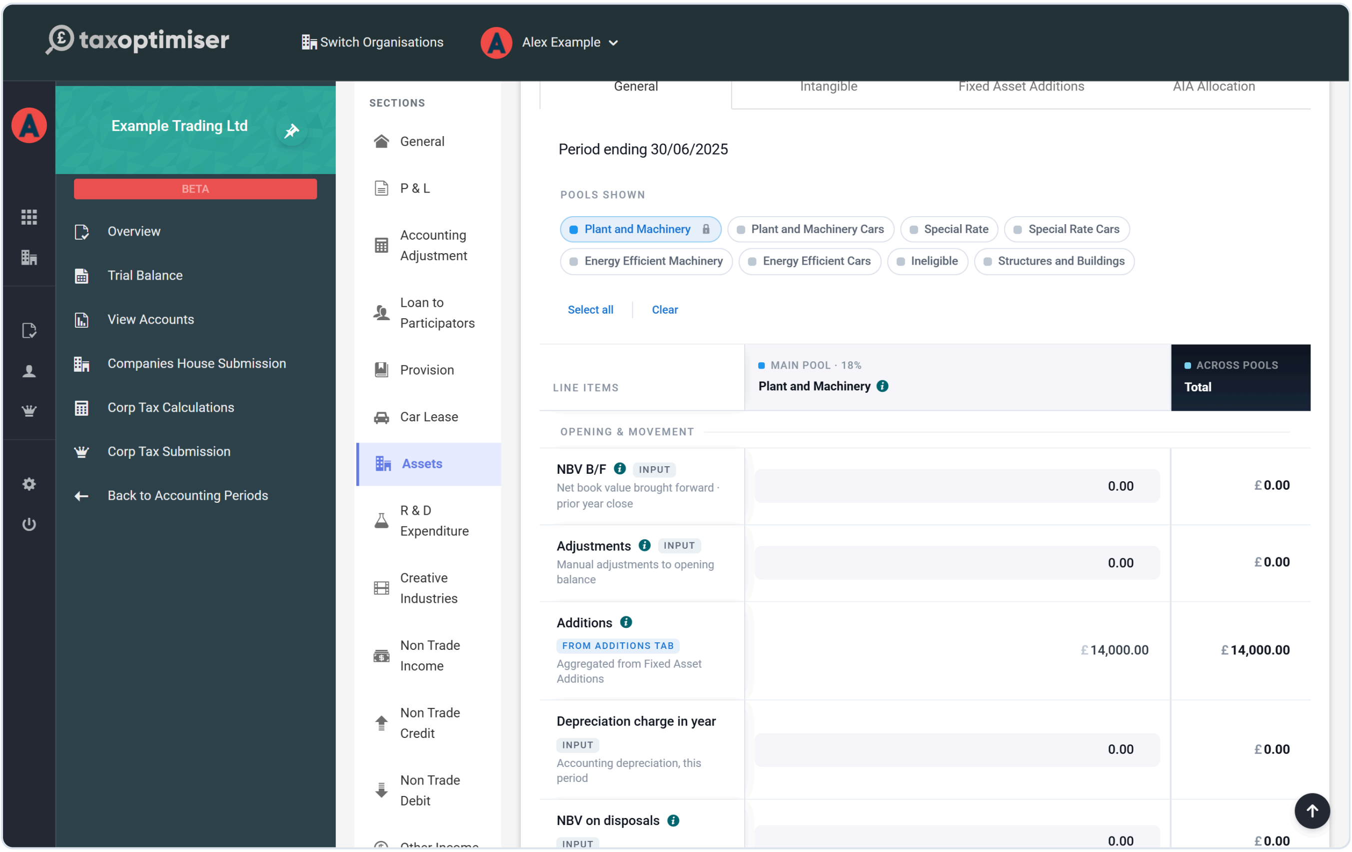
Disallow depreciation, record your asset additions, and claim the Annual Investment Allowance.

> **IN SHORT**
>
> - Depreciation is disallowed; capital allowances replace it
> - Record each addition with date, cost and pool
> - AIA gives 100% relief up to the annual limit
> - Allocate AIA to special-rate spend first when both exist
> - D-schedules in the computation document support the claim

Depreciation in your accounts isn't tax-deductible — capital allowances replace it. You disallow the depreciation charge in the P&L section, then claim allowances on what the company actually spent, in the **Assets** section of Corp Tax Calculations.

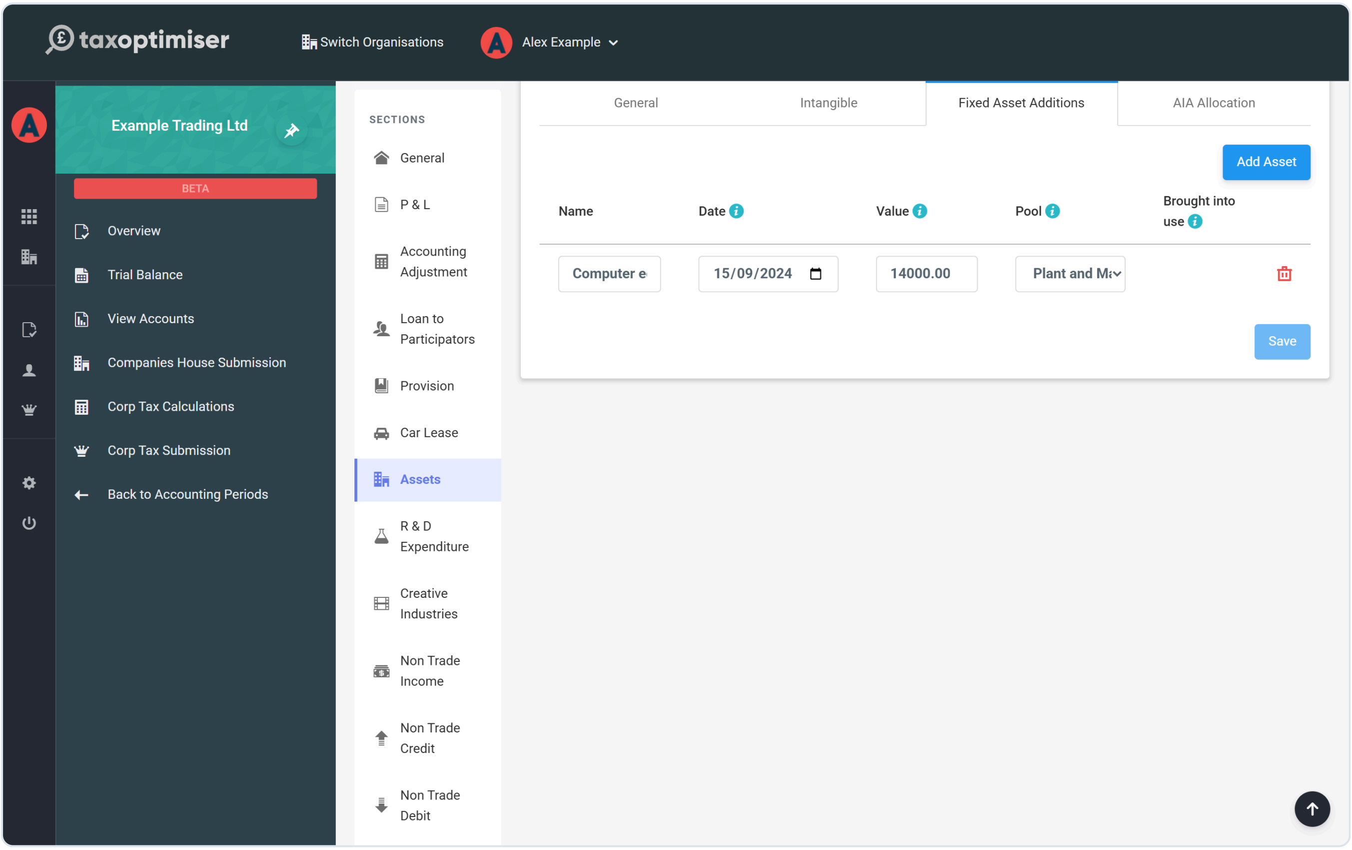
Choose your pools

The **General** tab is the allowance computation itself, organised by pool. Switch on the pools you need — *Plant and Machinery* covers most equipment; *Special Rate* is for integral building features and higher-emission cars; there are also pools for energy-efficient machinery and cars, structures and buildings, and ineligible assets. Each selected pool gets a column showing opening balances, additions, disposals, allowances and the carried-forward written-down value.



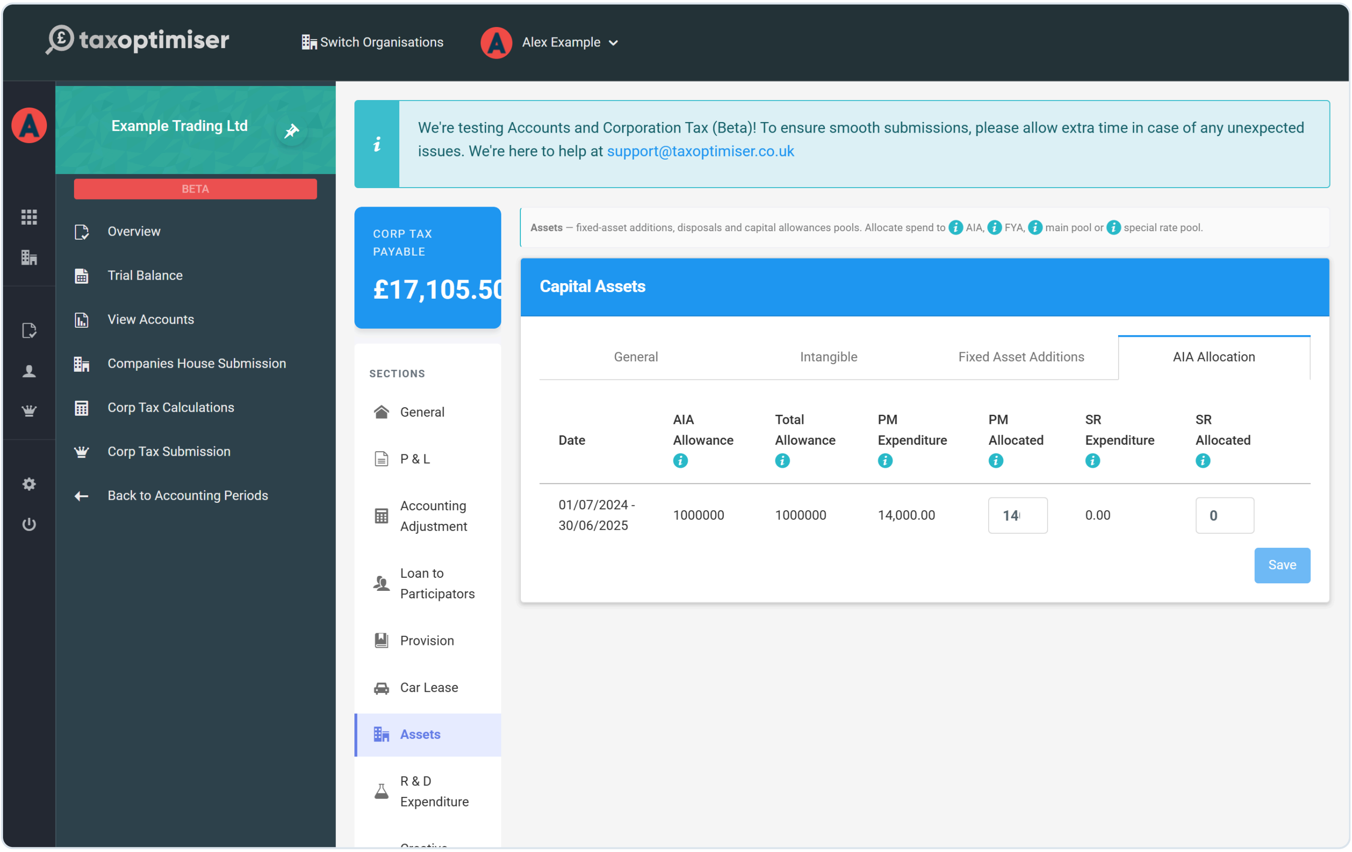
Record what you bought

On the **Fixed Asset Additions** tab, click **Add Asset** and record each purchase: name, date, cost, which pool it belongs to, and whether it was brought into use in the period. The dated list matters — allowance entitlement follows the date the expenditure was incurred, and the additions aggregate automatically into the pool computation on the General tab.



Allocate the Annual Investment Allowance

The **AIA Allocation** tab shows your AIA entitlement for the period (£1,000,000 a year, apportioned for short or long periods) alongside your plant-and-machinery and special-rate expenditure. Enter how much of each you're claiming as AIA — usually the full amount up to the limit, which gives 100% relief in year one. Anything not covered by AIA stays in the pool for writing-down allowances instead. If you have both main-rate and special-rate spend, allocate AIA to the special-rate pool first — its writing-down rate is lower, so AIA is worth more there.



Where it shows up

The claim flows straight through: the headline payable figure updates, and the computation document gains a full set of fixed-asset schedules — D2 capital allowances summary, D3 annual investment allowance, D4 the main pool movement and D5 the additions analysis — so the numbers you file are fully supported.

CHAPTER 05

Trading losses: carry forward and carry back

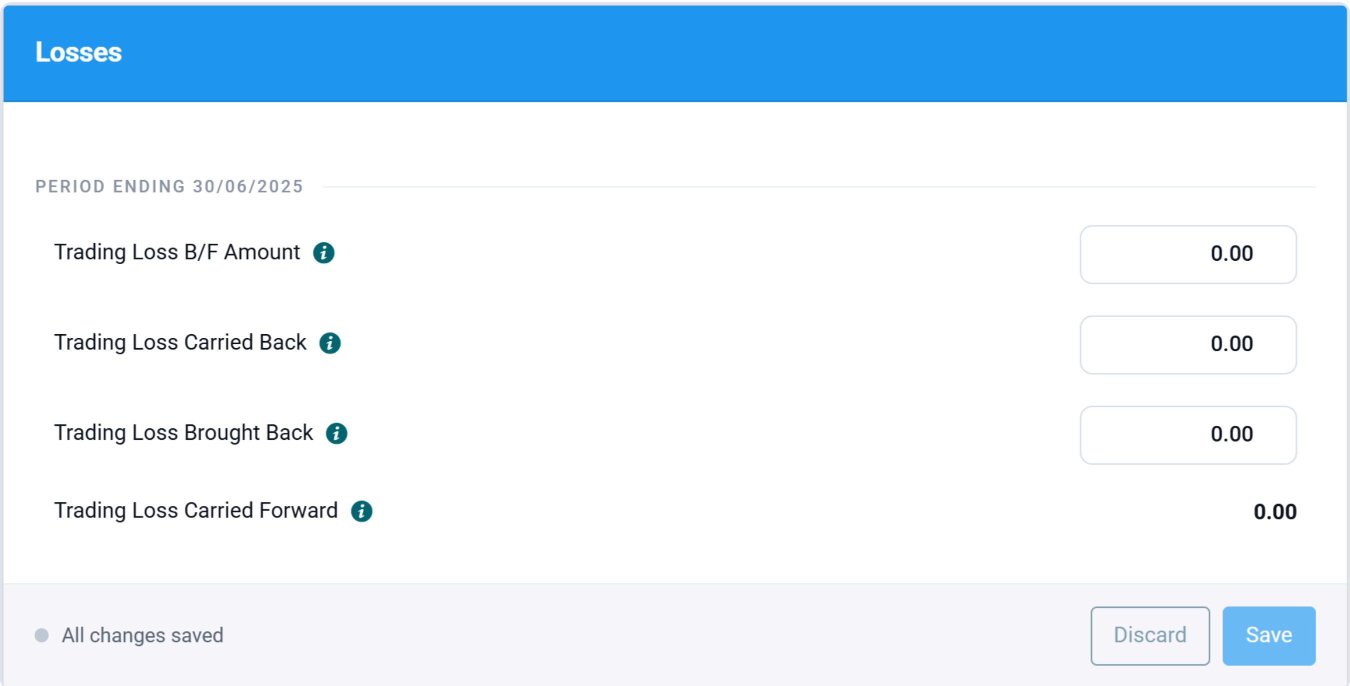
Record brought-forward losses, elect to carry back, and let the carried-forward balance calculate itself.

IN SHORT

- Brought-forward losses are applied automatically
- Carry back this period's loss for a repayment of last year's tax
- The carried-forward balance calculates itself
- CT600 loss and repayment boxes populate automatically

If the company makes a trading loss — or has losses left over from earlier years — the **Losses** section of Corp Tax Calculations is where they're recorded and used.

The four figures



- **Trading Loss B/F Amount** — losses brought forward from earlier periods. These are set against the current period's profits automatically; post-2017 losses can be used flexibly against total profits.
- **Trading Loss Carried Back** — if *this* period made a loss, the amount you're electing to carry back against the previous year's profits (normally up to twelve months). Carrying back generates a repayment of tax already paid, so it's usually claimed before carrying forward.
- **Trading Loss Brought Back** — a loss arriving *into* this period from a later loss-making year's carry-back claim. You'd normally enter this when amending a period after a later year's claim.
- **Trading Loss Carried Forward** — calculated for you: whatever is left after current-year use and any carry-back, available to the next period.

How they interact with the computation

Losses are applied after the trading result and before qualifying donations in the profits-chargeable summary, and the relevant CT600 boxes are populated automatically — including the repayment claim boxes when a carry-back produces one. The computation document shows the loss memo so you (or your accountant) can see exactly what was used, where, and what remains.

A profitable year like the example in this guide leaves the section at zero throughout — you only need it when losses exist.

CHAPTER 06

Reviewing the computation, accounts and CT600

Read the cross-referenced computation, finish the statutory accounts, and clear the validation checks.

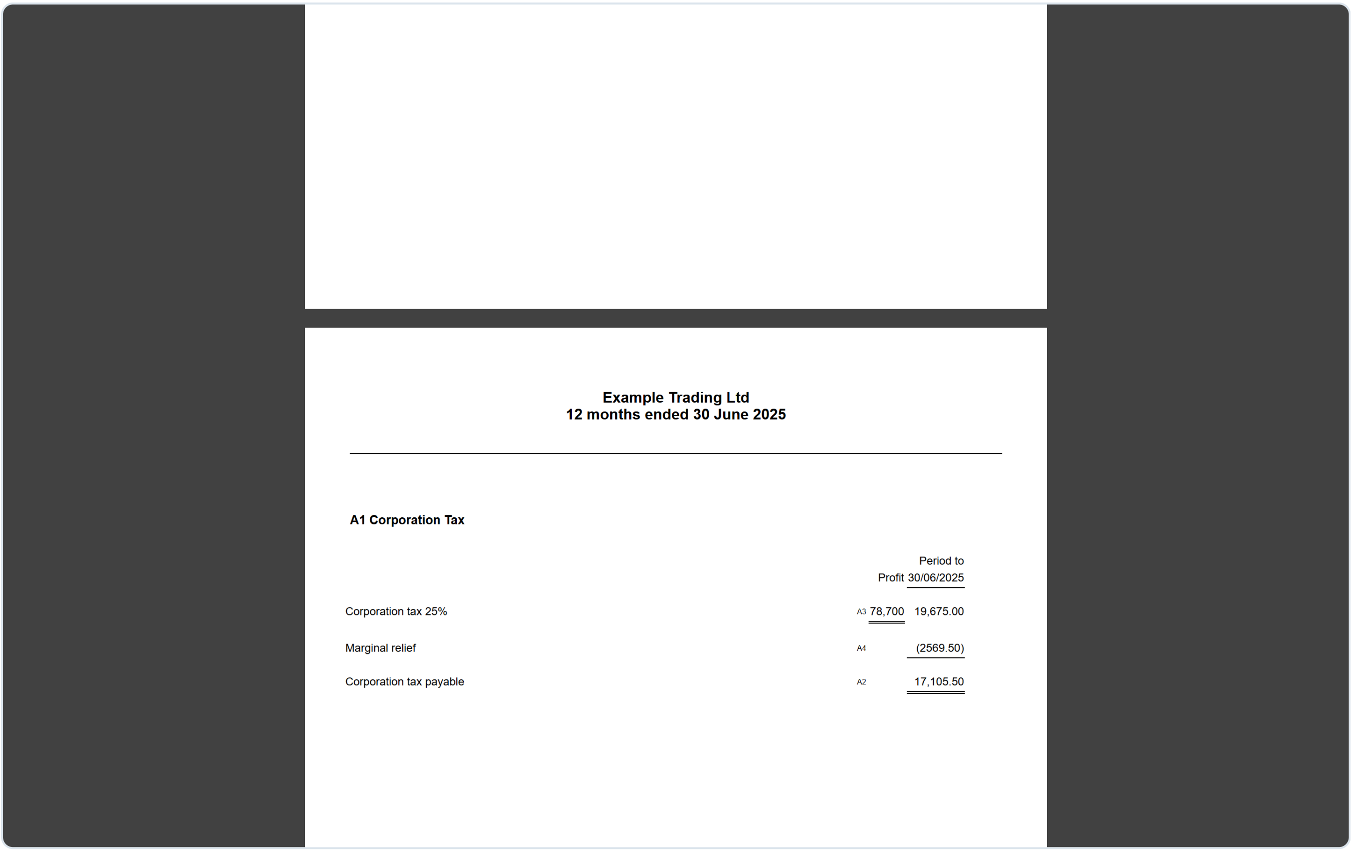
IN SHORT

- All documents regenerate instantly when data changes
- Every computation figure traces to a lettered schedule
- Directors and the balance-sheet signatory are set in View Accounts
- Validation links each issue to the screen that fixes it
- Full and filleted account sets both download as iXBRL or PDF

Before anything is filed, three documents deserve a careful read: the Corporation Tax computation, the statutory accounts, and the CT600 itself. All three are generated live from your data, so a fix anywhere — a trial balance line, a disallowable, an asset date — regenerates them instantly.

The computation document

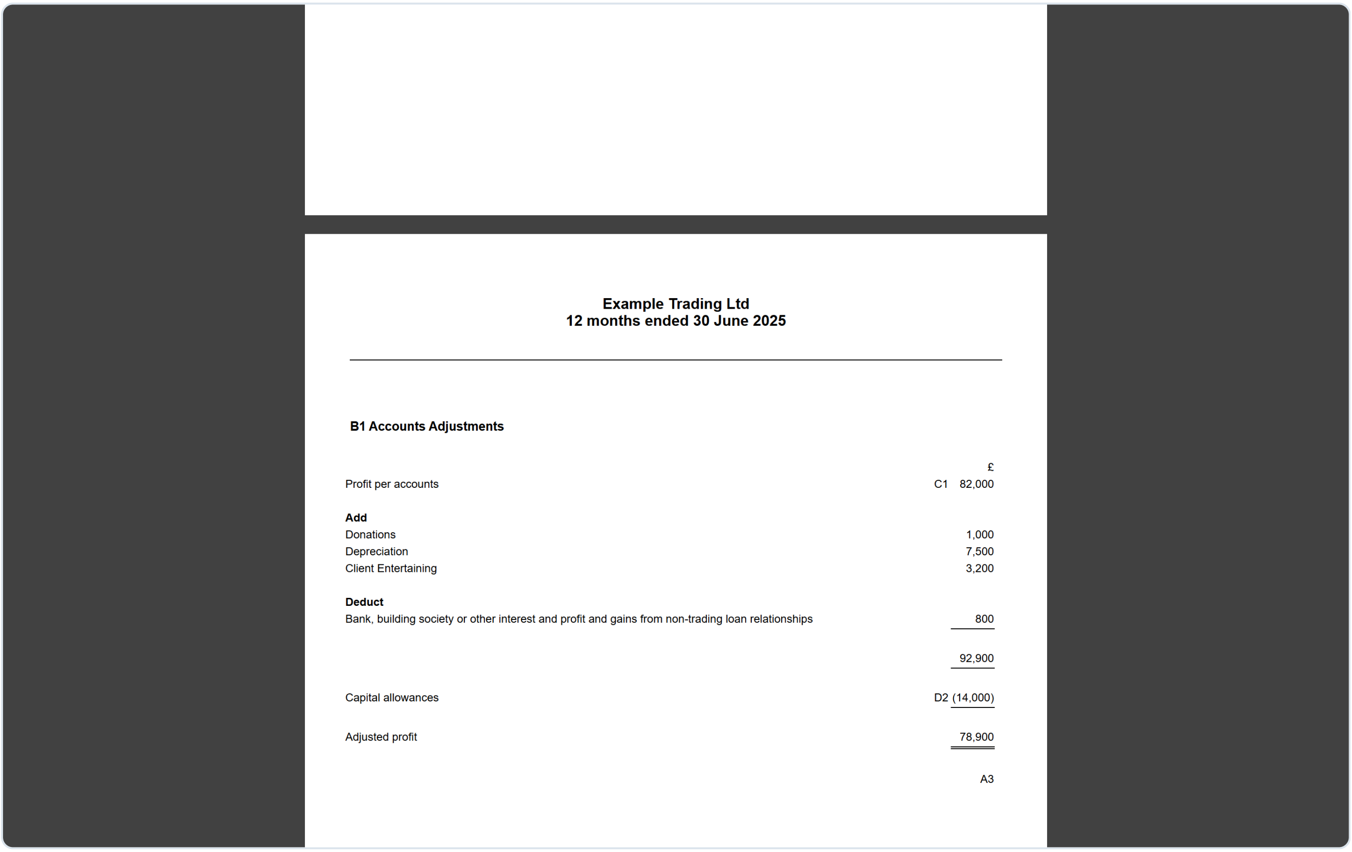
Open it from the **Output Documents** card in Corp Tax Calculations (it's also embedded in the submission flow). It's a fully cross-referenced computation: A-schedules for the tax (including the marginal relief working, financial-year by financial-year), B1 for the adjustment of profit, C-schedules itemising each add-back, and D-schedules for capital allowances. Every figure traces back to a schedule reference, which makes review — and any conversation with HMRC — far easier.



Example Trading Ltd
12 months ended 30 June 2025

A1 Corporation Tax

		Profit	Period to 30/06/2025
Corporation tax 25%	A3	78,700	19,675.00
Marginal relief	A4		(2569.50)
Corporation tax payable	A2		17,105.50



Example Trading Ltd
12 months ended 30 June 2025

B1 Accounts Adjustments

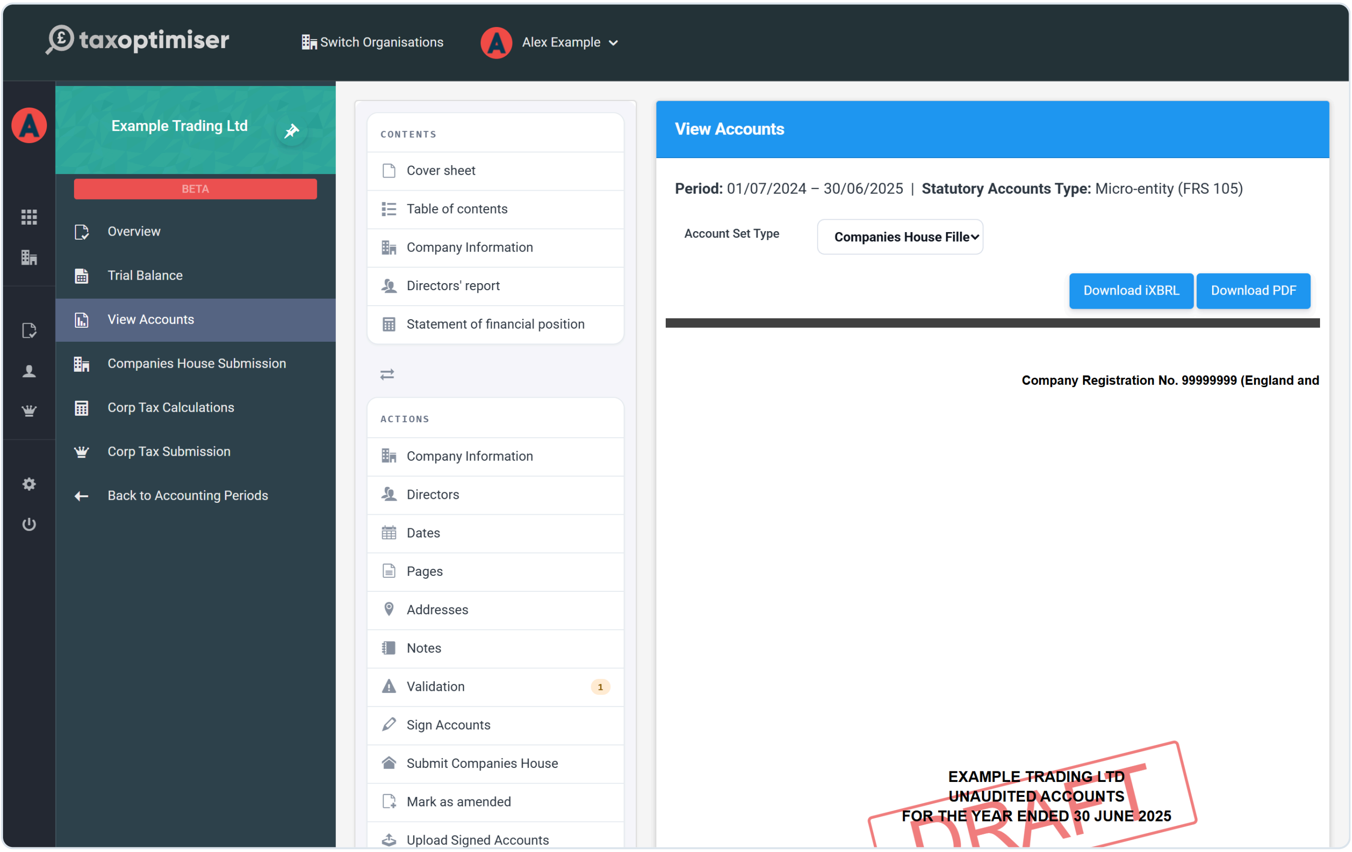
		£
Profit per accounts	C1	82,000
Add		
Donations		1,000
Depreciation		7,500
Client Entertaining		3,200
Deduct		
Bank, building society or other interest and profit and gains from non-trading loan relationships		800
		92,900
Capital allowances	D2	(14,000)
Adjusted profit		78,900
		A3

The statutory accounts

Open **View Accounts** from the period menu. The accounts render as they will file — with a DRAFT watermark until they're signed off. Use the *Contents* list to jump between pages and the *Actions* panel to complete the supporting information:

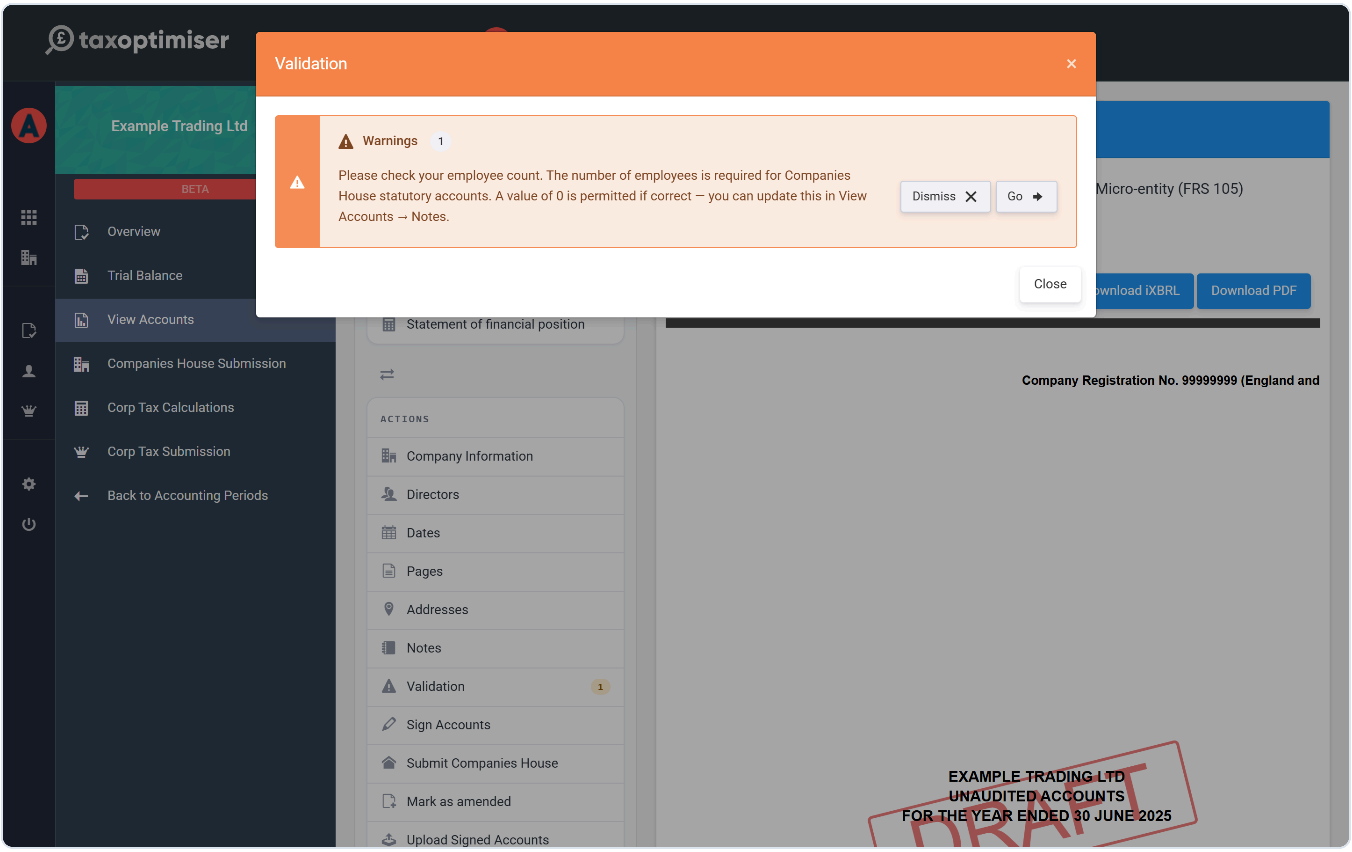
- **Company Information**, **Dates**, **Addresses** and **Pages** — cover-page and report details.
- **Directors** — add the directors who served in the year, and mark who signs the balance sheet.
- **Notes** — the accounts notes, including the employee count Companies House requires.

The **Account Set Type** switch toggles between the full members' accounts and the filleted set filed at Companies House, and both are downloadable as iXBRL or PDF at any time.



Validation

The **Validation** action runs the pre-filing checks and explains anything that needs attention — in plain language, with a *Go* button that takes you to the screen where the fix lives. Warnings (like confirming a zero employee count) can be reviewed and dismissed; errors block submission until resolved.



The CT600

The CT600 PDF — the actual return form, box by box — is available from the **Output Documents** card and is embedded for a final read in the submission flow, which the next article walks through. If your previous filing was made elsewhere, **Import CT600** on the CT600 screen lets you load and compare it.

CHAPTER 07

Submitting to HMRC and Companies House

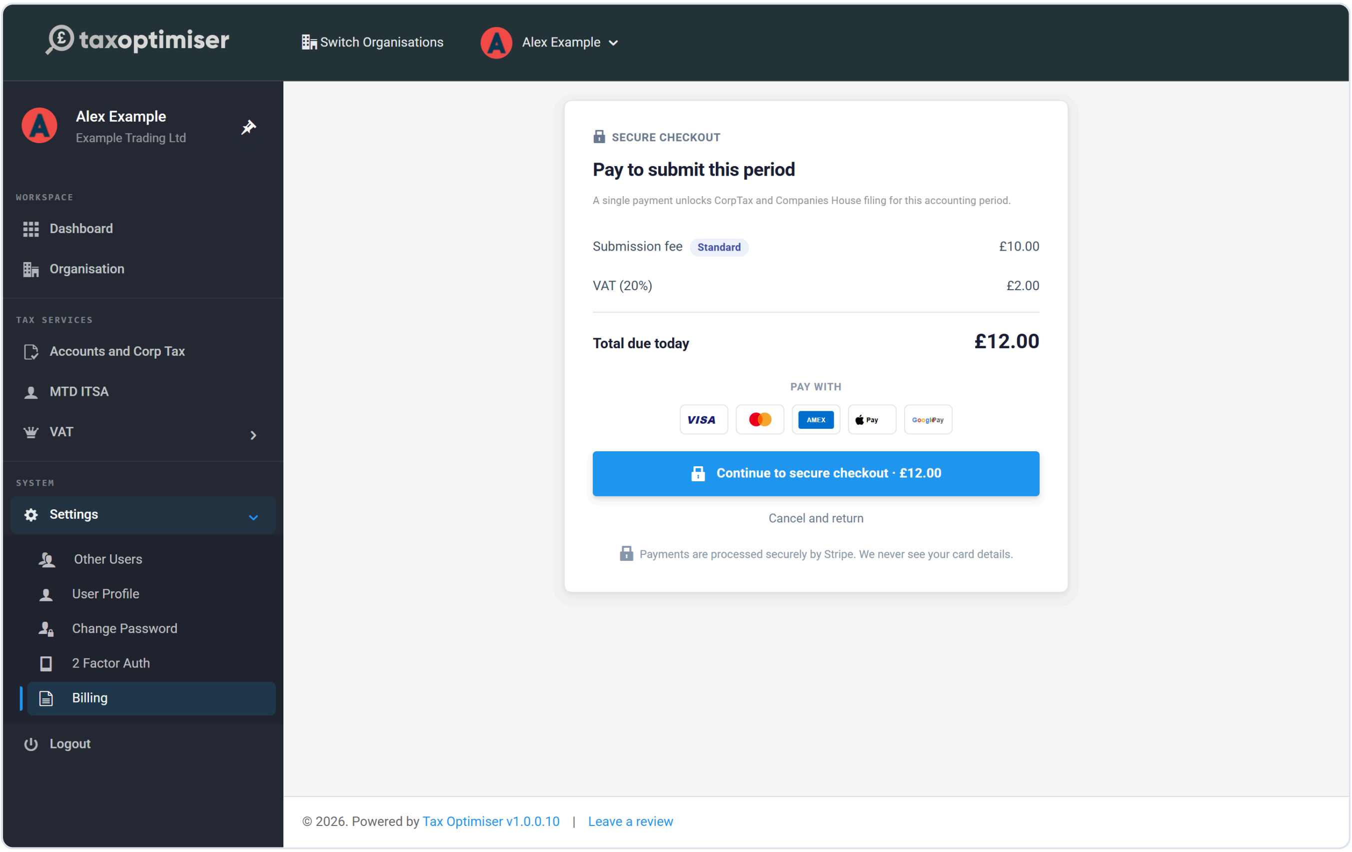
Sign the accounts, clear the pre-flight checks, and file to HMRC and Companies House through the guided wizards.

> **IN SHORT**
>
> - One payment per period unlocks both HMRC and Companies House filing
> - Accounts must be signed and out of draft before sending
> - Auth code and presenter credentials are needed for Companies House
> - Final accounts and computation are embedded for a last review
> - Acceptance is tracked automatically; lock the period afterwards

With the computation reviewed and the accounts finished, two filings remain: the CT600 with accounts and computation attached goes to HMRC, and the (usually filleted) accounts go to Companies House. Both run as guided wizards from the period menu.

One payment unlocks both filings

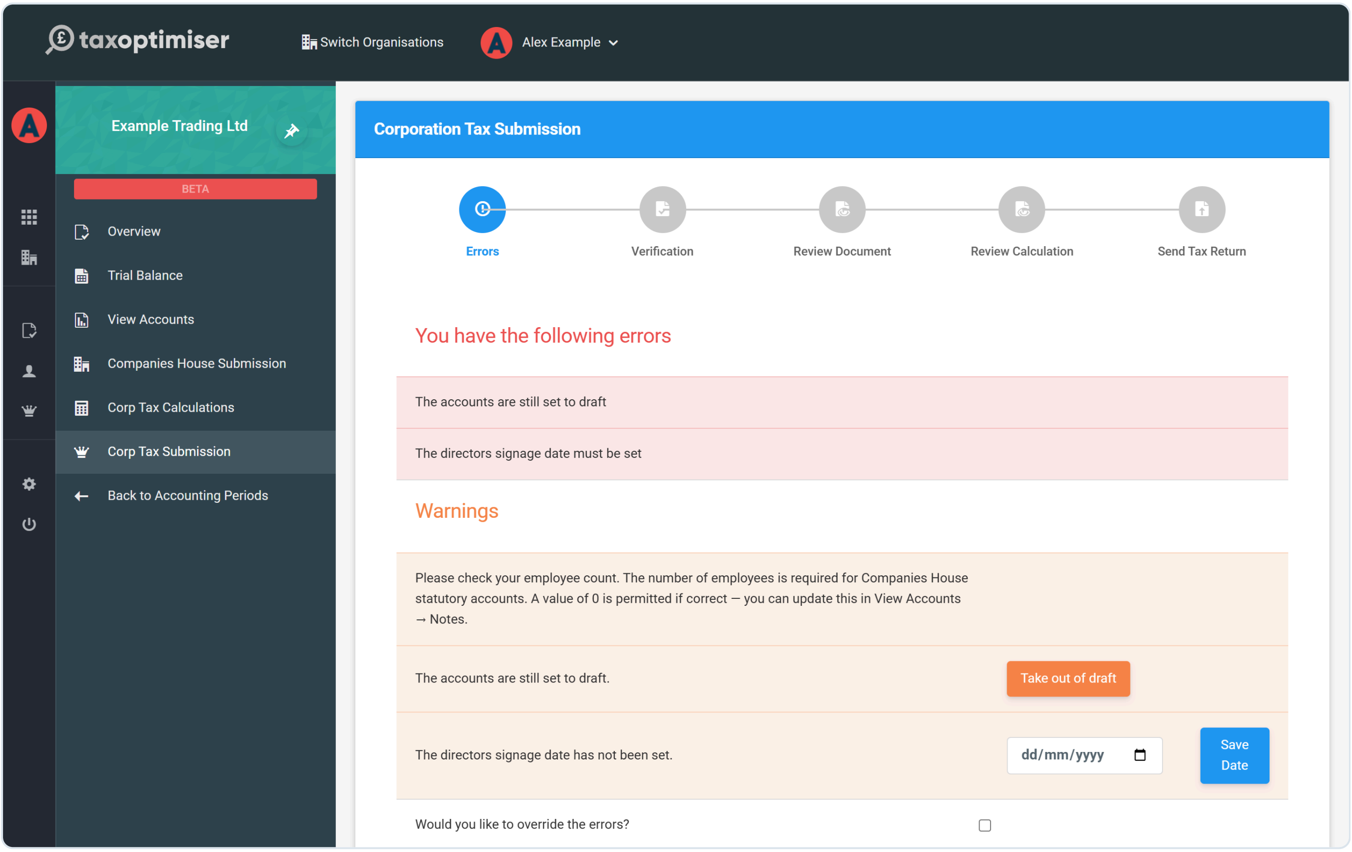
The first time you open either submission for a period you're asked for the per-period submission fee. A single payment, made securely through Stripe, unlocks both the HMRC and Companies House filings for that accounting period.

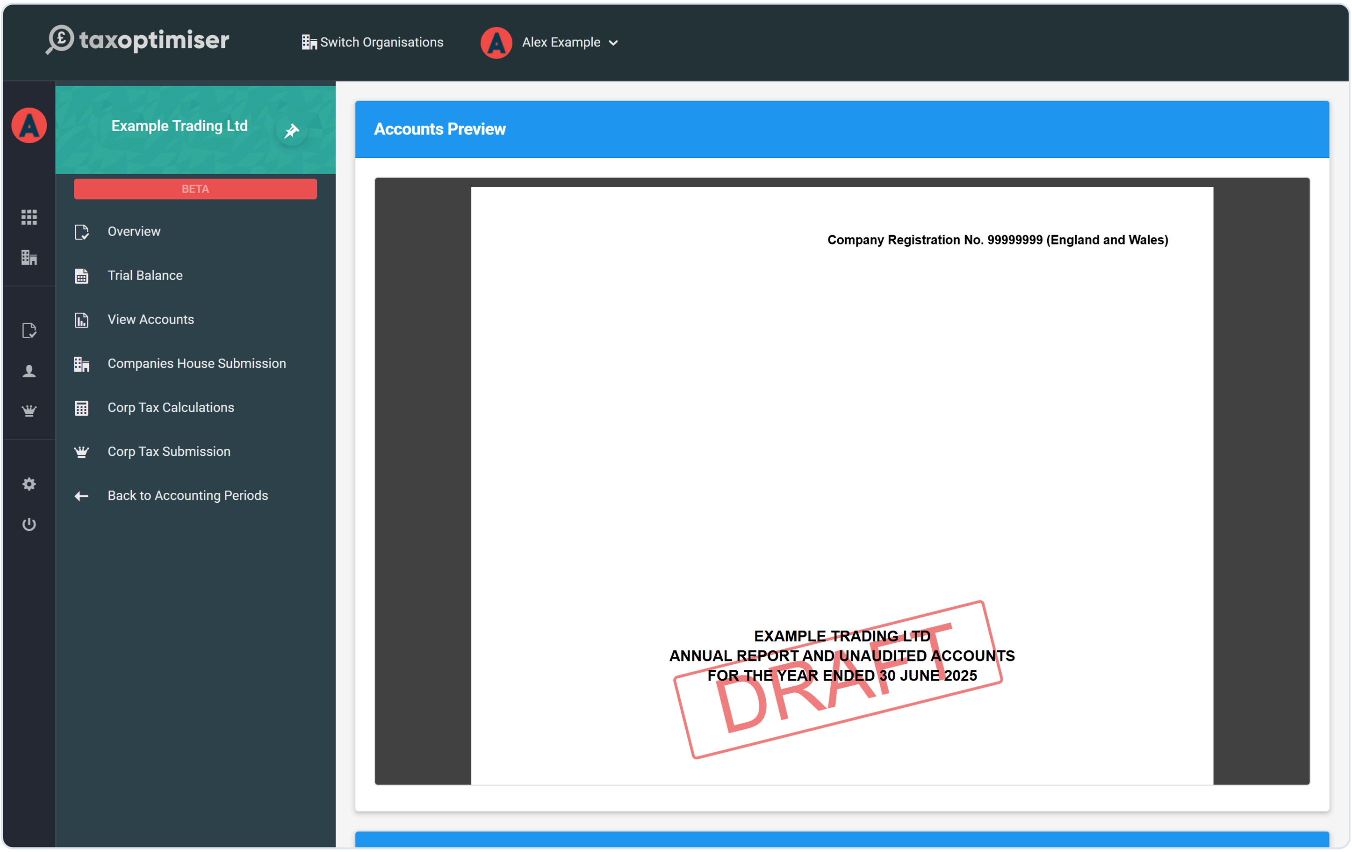


Before you can send

The wizards start by checking the period is actually ready, and list anything outstanding with a button next to each item:

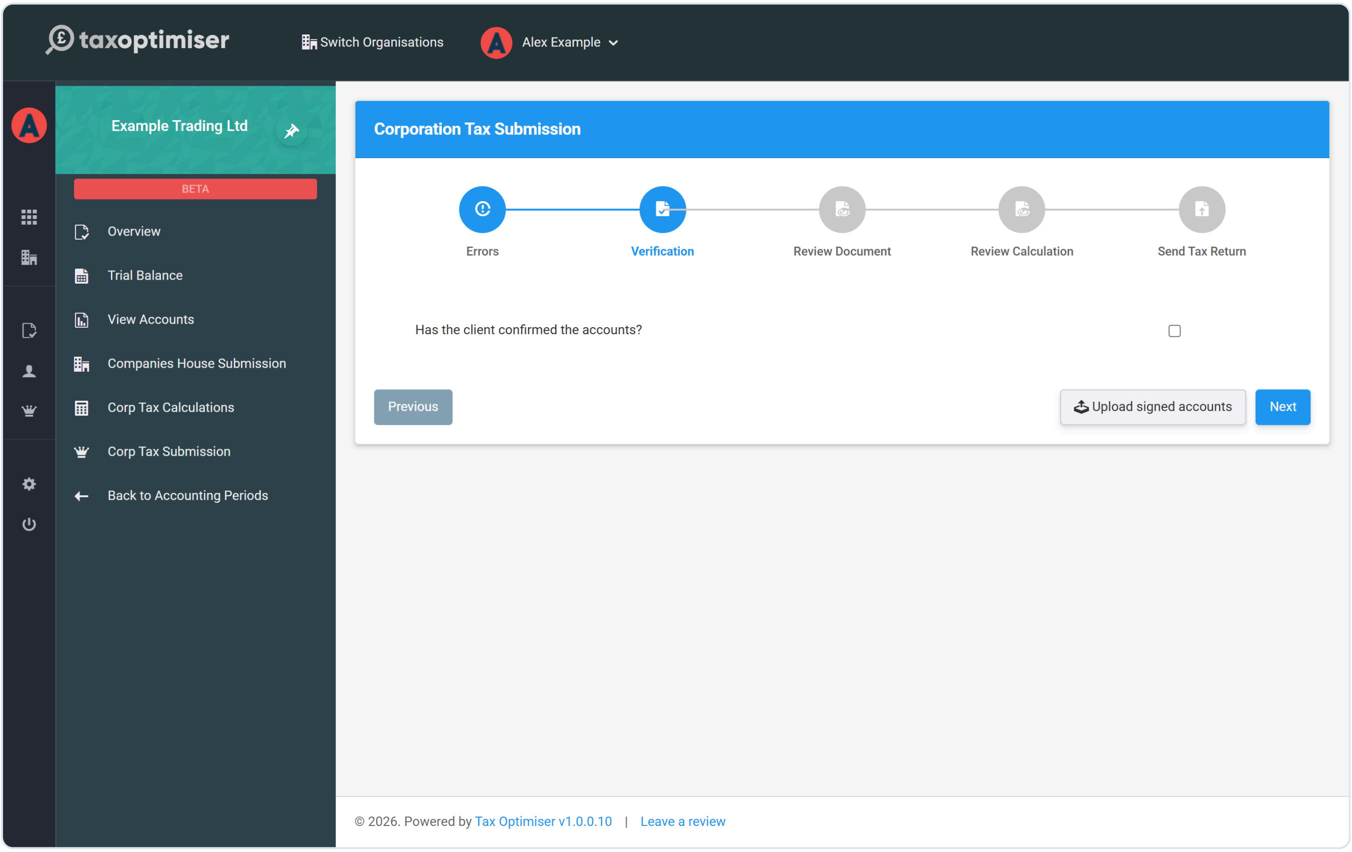
- **Take the accounts out of draft** — and sign them: the **Sign Accounts** action in View Accounts records the approval, and the **director signage date** is set alongside.
- **Companies House authentication code** — the 6-character code Companies House posts to the registered office (the *How to obtain* link covers requesting one).
- **Presenter ID and password** — your Companies House presenter account for software filing (*How to apply* explains the one-off registration). Accountant firms set this once at firm level.
- **Government Gateway credentials** — for the HMRC side, entered in Organisation settings.

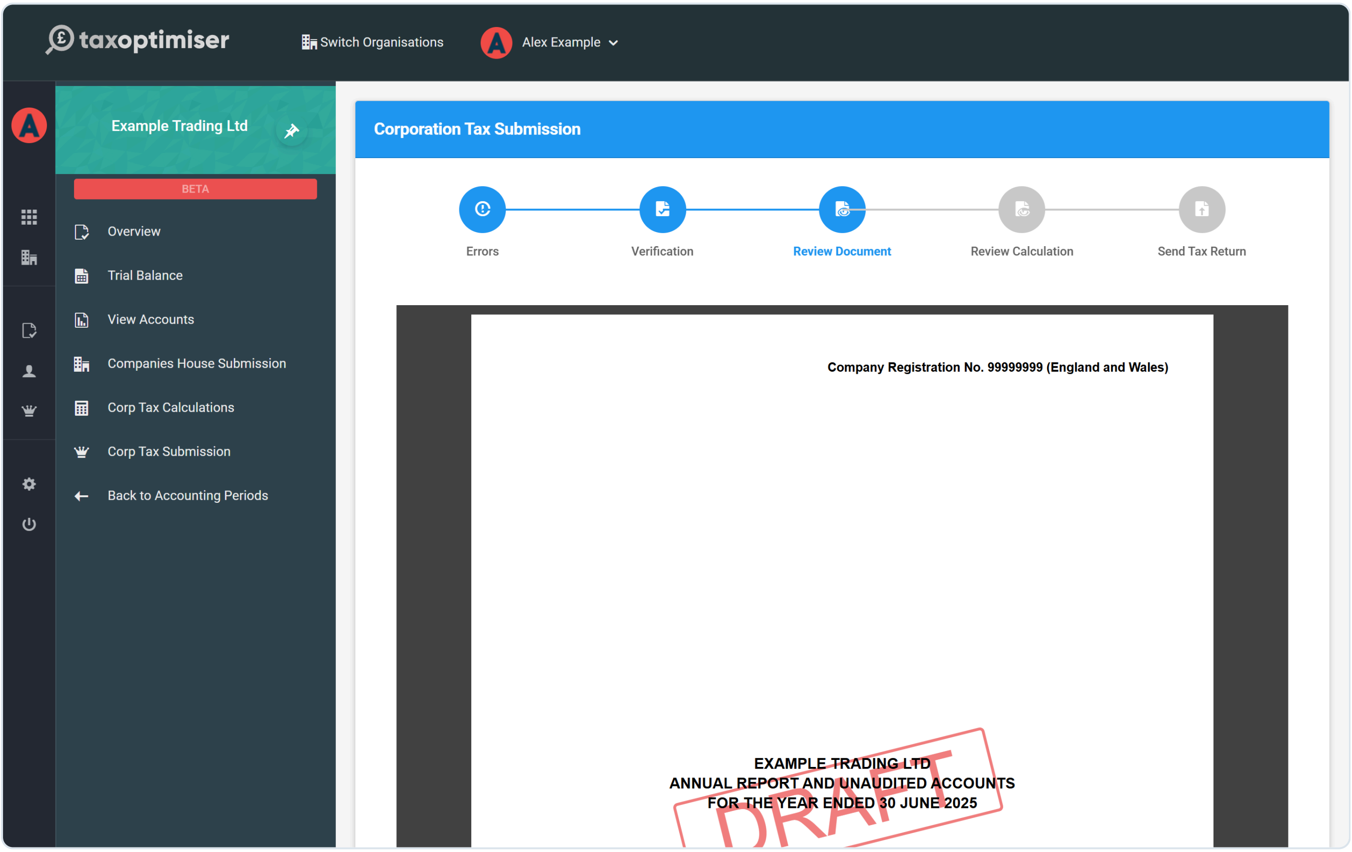


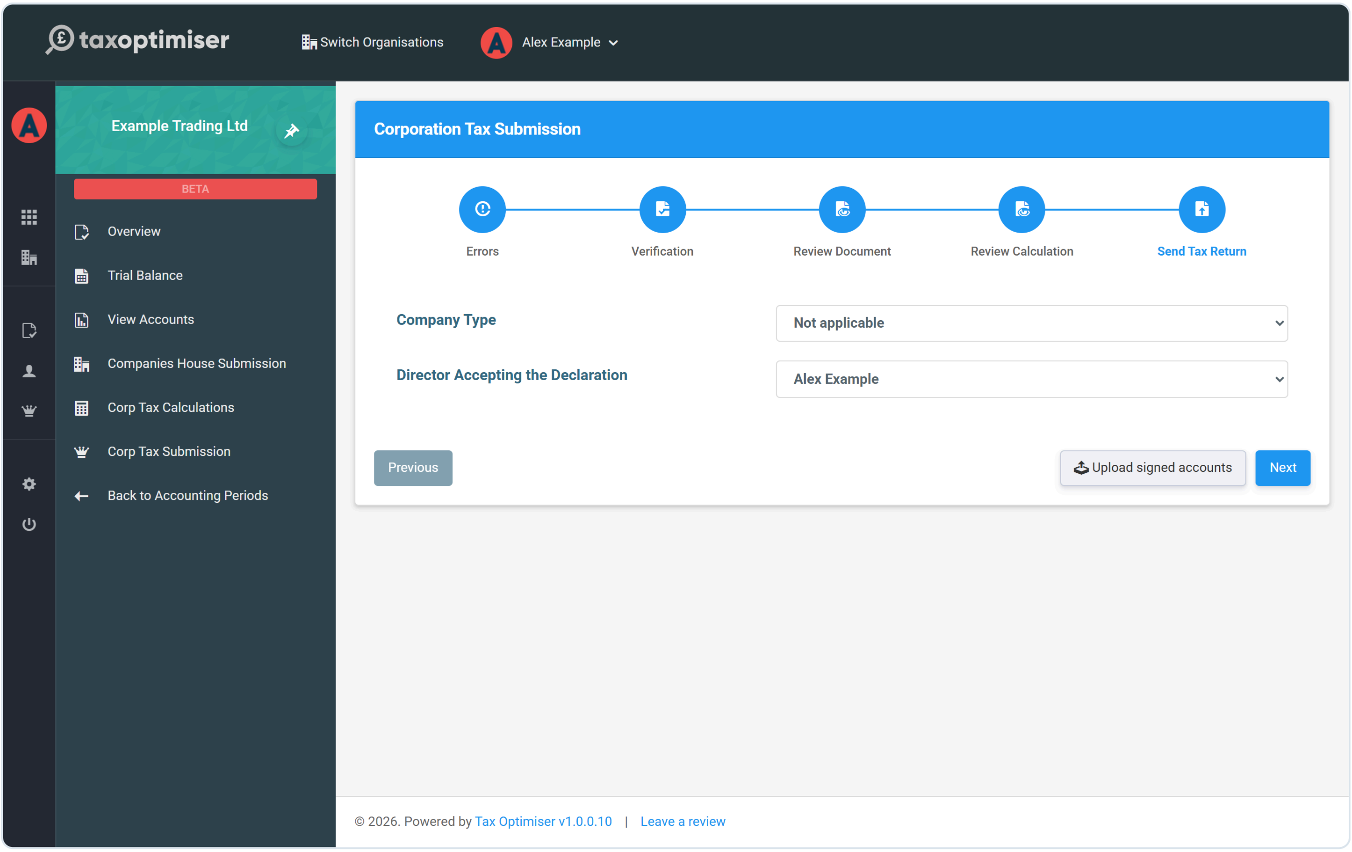


The HMRC wizard

Corp Tax Submission walks five steps: *Errors*, *Verification*, *Review Document*, *Review Calculation* and *Send Tax Return*. Verification asks you to confirm the client has approved the accounts; the two review steps embed the final accounts and computation for a last read; the send step confirms the company type and the **director accepting the declaration**, then transmits the CT600 with iXBRL accounts and computation attached to HMRC.

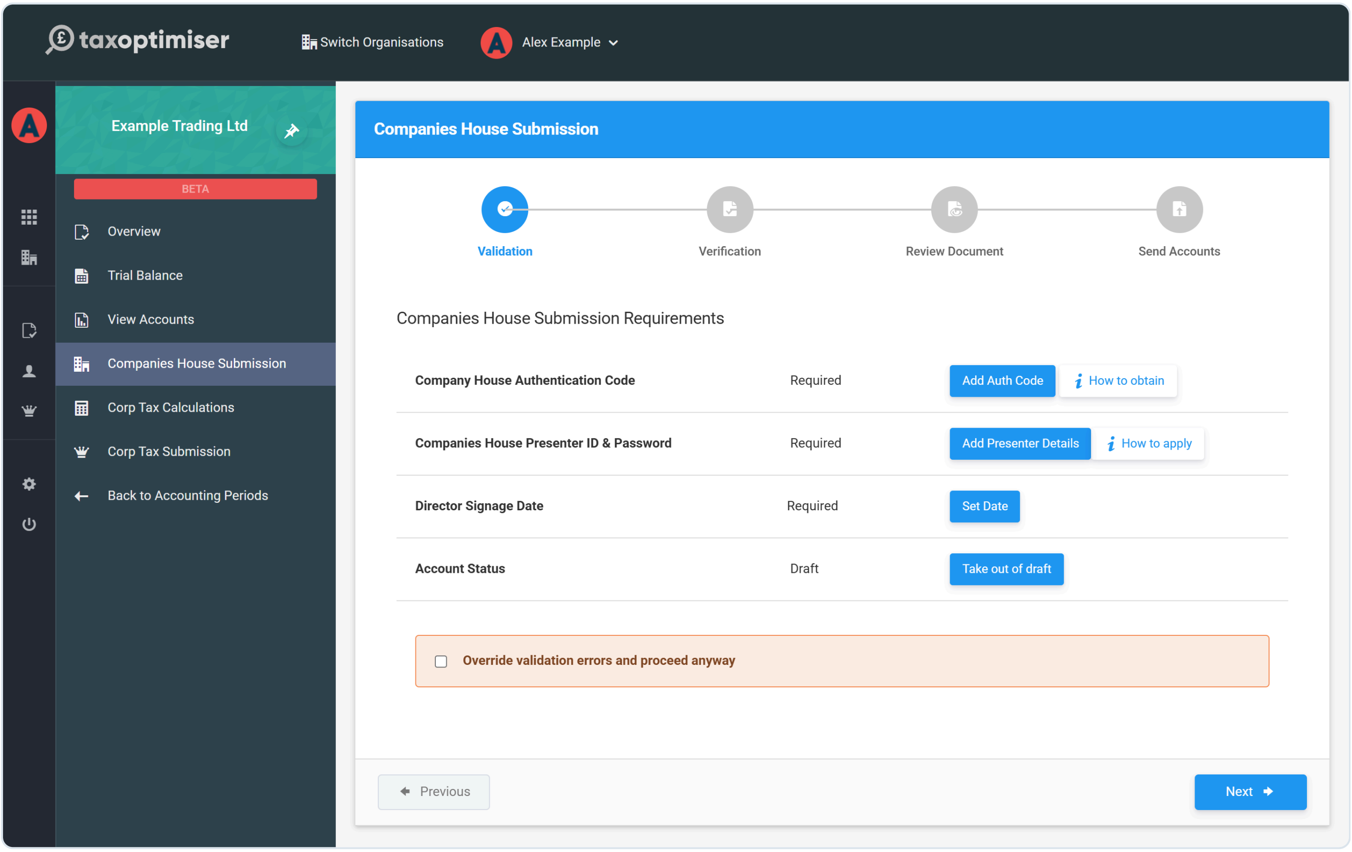






The Companies House wizard

Companies House Submission follows the same shape — validation, verification, review, send — filing the filleted accounts electronically. Companies House processes electronic filings in minutes to hours, and the submission status on the period overview tracks acceptance automatically.



After sending

Each submission gets a receipt and its status is polled until HMRC or Companies House accept (or reject, with reasons shown). Once accepted, the period can be **locked** from the Overview so the filed numbers can't drift, and the dashboard deadlines update to the next period. If something needs correcting after acceptance, **Mark as amended** starts an amended filing from the same data.