

Inland Revenue

A Simplified CT600 (Short) (2004) Version 2 Example

The CT600 (Short) (2004) Version 2 form can be used by most limited companies that do not have a complicated tax assessment.

There are limited companies that must complete the full version (8 pages) e.g. group companies, some insurance companies, companies with overseas investments etc. The short version is also only compatible with a restricted number of supplementary pages. If the limited company requires an additional supplementary page it must complete the larger version.

A CT600 does not need to be filed for a dormant company, but the Inland Revenue must be informed of the dormancy and agree that there is no requirement for filing. A letter ([Limited Companies Dormant Letter](#)) should be sent to the company's tax office asking for a dormancy flag to be put against the company files.

The new short format (4 pages) can be used for accounting periods on or after 1st July 1999. It must be filed within 9 months after the end of the Accounting Period or 3 months after a notice to issue a company tax return (CT603), whichever is the later.

A set of Accounts including a tax computation should (if possible) accompany the Tax Return and the Inland Revenue requires that Corporation Tax is paid nine months and one day after the end of the accounting period.

HMRC in the past have been more relaxed about the requirement for a tax computation when it is obvious that the stated profits (PBIT) have no adjustments to be made, more recently they have been rejecting accounts due to a lack of tax computation, even if that computation does not affect the final tax due.

Companies House requires (after the first set of accounts), accounts to be filed 10 months from the end of the Accounting Reference Date.

The form is straight forward to complete up to box 67, when the accounting period ends at the 31st March. From the 1st April 2007 dividends must be taxed at the small company rate of 20%. So any company who has a year end that is not the 31st March 2007 will have profits before then taxed at 19% and profits from 1st April taxed at 20%

In the example the profits chargeable are £30,000, assumed to be earned evenly throughout the year with a year end 30th September 2007.

The marginal Rate relief is a separate calculation and does not apply since the 10% tax band was removed for tax years ending after 31st March 2006 [Inland Revenue Marginal Rate Relief](#).

Box 37	Profits Chargeable to Corporation Tax	37	£30,000
Box 46	2006 £15,000 @ 19%	46	£2,850
Box 56	2007 £15,000 @ 20%	56	£3,000
Box 63	Corporation Tax	63	£5850

For online filing HMRC have not issued their guidance, and filing will not be possible until August 2007.

If filing online, it is important to check that the dates on the CT603 are not more than a full calendar year as the return will be rejected as requiring two CT600s for the full and part year.