



Advanced Taxation (ATX-UK)

(Finance Act 2025)

For June 2026 to June 2027
Examination Sittings

Pocket Notes



British library cataloguing-in-publication data

A catalogue record for this book is available from the British Library.

Published by:
Kaplan Publishing UK
Unit 2 The Business Centre
Molly Millars Lane
Wokingham
Berkshire
RG41 2QZ

ISBN 978-1-83735-039-1

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Printed and bound in Great Britain.

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chapter

1

Corporation tax – liability and losses

In this chapter

- Accounting periods.
- Taxable total profits computation.
- Corporation tax payable.
- Trading profits – specific issues for companies.
- Capital allowances.
- Long period of account.
- Self-assessment.
- Penalties.
- Trading losses – single company.
- Restriction of carry forward of losses.
- Non-trading losses.



Exam focus

Corporation tax is very important.

Questions on corporation tax will regularly feature in the examination and you need to be able to prepare a corporation tax computation, as well as explain the tax implications of company transactions.

This chapter revises the key issues in preparing a corporation tax computation, summarises the self-assessment rules and sets out the options for a single company making losses.

Accounting periods (APs)

- Corporation tax computation required for each AP.
- Cannot be longer than 12 months.
- Starts:
 - when start to trade
 - previous AP ends.
- Ends:
 - 12 months after start
 - end of period of account (i.e. company's period for which it prepares accounts)
 - cease to trade/be resident in UK
 - go into administration/liquidation.

Taxable total profits computation

ABC Ltd

Corporation tax computation for year ended 31 March 2026

	Notes	£
Trading profits	(a)	X
NTLR income	(b)	X
Overseas income	(c)	X
Property income		X
Net chargeable gains	(d)	<u>X</u>
Total profits		X
Less: QCD relief	(e)	<u>(X)</u>
Taxable total profits (TTP)	(f)	<u>X</u>

Corporation tax payable

- Tax liability:

	Notes	£
TTP × relevant %	(g)	X
Less: Marginal relief (if applicable)	(g)	(X)
Less: DTR		(X)
CT payable		<u>X</u>

chapter

2

Groups – corporation tax and value added tax

In this chapter

- Group relationships.
- Group relief.
- Consortium relief.
- Capital gains groups.
- Sale of shares or assets.
- Transfer of trade within 75% group.
- Transfer pricing.



Exam focus

Questions on groups can be examined in the A or B section of the exam.

There has been a large corporation tax groups scenario on almost every ATX examination so far.

Group relationships

Relationship	Definition
Associated companies	<ul style="list-style-type: none"> One company controls (> 50%) another, or Both are controlled by the same person.
Group relief (GR) group	<ul style="list-style-type: none"> A parent company and all its direct and indirect 75% subsidiaries (later in this chapter). The definition of 75% subsidiary is extended for GR purposes only. In addition to owning 75% of the share capital (SC) the parent must also be entitled to receive 75% of profits and 75% of assets on winding up.
Capital gains group	<ul style="list-style-type: none"> A parent company (principal member (PM)) and its 75% subsidiaries (later in this chapter) and their 75% subsidiaries – provided PM has > 50% effective interest in subsidiary. A 75% subsidiary of a PM cannot be a PM itself (i.e. a company can only be a member of one gains group).
75% subsidiary	<ul style="list-style-type: none"> One company owns \geq 75% of SC of another, or Both are 75% subsidiaries of a third company. Includes direct/indirect holdings. Definition includes overseas companies.

Relationship	Definition
Consortium owned company	<ul style="list-style-type: none">• $\geq 75\%$ ordinary SC owned by companies, each owning $\geq 5\%$ and• Each member entitled to $\geq 5\%$ profits and $\geq 5\%$ net assets• Excludes a company that is 75% subsidiary of another.

Illustration – Group relationships

