NEHL and NIC

Corporation Tax and VAT implications of options under consideration

26 October 2022

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Background and scope of work

Background

Northumberland Enterprises Holdings Limited (NEHL) was incorporated in September 2020 as a subsidiary or Northumberland County Council (NCC). The purpose of NEHL was to become NCC's group holding company for up to ten operational subsidiaries. It filed dormant accounts for the period to 31 March 2021 and a nil Corporation Tax return.

Northumbria Integrated Consultancy (NIC) was incorporated in March 2021 as a wholly owned subsidiary of NEHL. The purpose of NIC was to be the trading vehicle for high quality project management and advisory services to local, regional, national and international markets.
On 13th September 2021 £300k of shares were allotted in NEHL to NCC. The purpose of this investment was to be able to provide working capital to NIC.

On 15th September 2021 NIC entered into a suite of commercial contracts for international health consultancy work in relation to a project known as Rong Qiao. Professional Indemnity Insurance (PII), a pre-requisite for such consultancy projects, was difficult to obtain and cost c£70k for £10m of cover.

On 31st March 2022 a contractual suite of termination and amendment documents were executed to formally terminate the Rong Qiao project. The PII cover has also been terminated. NIC has had no other customers besides those under the Rong Qiao contract.

NIC currently has no fee-paying clients or any contracts in the pipeline, which are likely to be concluded within the next 12 months. However, there is the prospect of a future project in the Middle East that is at a very early stage of scoping/due diligence.

The Council is considering the potential options available for NIC and NEHL (together 'the group') given the lack of commercial activity currently being undertaken by the group.
NIC currently has no contractual liabilities (but remains party to a Framework Agreement with a Chinese client). The key operational director is no longer with the group and there is limited operational staff to take the group's trading activities forward (to be clear neither company directly employs any staff). The group no longer holds PII cover in order to pursue its consultancy activities. NIC and NEHL are currently registered for VAT as members of VAT group.

The options under consideration are as follows:

1. Consideration of other sources of commercial activity/revenue
2. Selling the shares in one/both companies
3. Make one or both companies dormant/mothballing
4. Transferring the shares in to Advance
5. Dissolve one or both companies and strike off the Register at Companies House

Scope of work

The purpose of this report is to set out any Corporation Tax and VAT implications of the options under consideration.

This report focuses on the following options as these appear to be the most likely:

- Strike off NIC from the Register at Companies House
- Following the strike off of NIC keep NEHL as a dormant holding company
- Make both companies dormant

The following options have been discounted:

- Consideration of other sources of commercial activity/revenue – whilst potential activities are constantly under review, it appears unlikely at this point that any activities will commence in the next 12 months.
- Selling the shares in one/both companies – it is unlikely that there is a market for these shares given the companies employ no staff and hold no active contracts.
- Transferring the shares in to Advance – a sub option of 1-3, is unlikely to achieve much given the points raised in this document around the validity of Corporation Tax losses (and the fact that the companies weren't in a group when the losses arose, so cannot be surrendered/claimed with the Advance group)

Your Team

Please don't hesitate to contact us:

Andrew Needham

aneedham@hwca.com
07775034868

Louise Cottam

lcottam@hwca.com
07912376569

Executive summary

The current draft computations for NEHL and NIC show the following:

- NEHL: management expenses carried forward of £32k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £8k.
- NIC: trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

As a general comment, from a Corporation Tax perspective, there is already a risk that the trading losses within NIC can not be carried forward because it could be argued that the company's trade ceased when the Rong Qiao project contract was terminated and/or when the PII cover was cancelled. It is possible that actions could be taken to try and retain the losses by demonstrating that the trade has not ceased, however, this would require real substance. This could be costly, especially if there is no real chance that NIC will enter any new contracts in the near future.

Set out below is a table showing the key points of each option considered:

	Strike off NIC	Strike off NIC and keep NEHL as a dormant company	Make both companies dormant
Corporation tax implication and issues	• Prior to strike of the intra group debt would need to be released (tax neutral) • Trading losses worth c£28k will be eliminated. • Where NEHL no longer has any investments to manage this is likely to cause the management expenses carried forward to be lost • To strike off NIC efficiently the return for 31/3/22 should be filed, then a letter should be sent to HMRC to request pre-authorisation for the strike off.	• With no investments to manage and no activity going through the company it is likely that the management expenses carried forward at 31 March 2022 would be eliminated • Dormant companies are not required to file Corporation Tax returns, so there will be a compliance saving if NEHL were to become dormant	• With no investments to manage and no activity going through the company it is likely that the management expenses carried forward at 31 March 2022 would be eliminated • With no ongoing trade it is likely that the trading losses worth c£28k will be eliminated • Dormant companies are not required to file Corporation Tax returns, so there will be a compliance saving if NEHL and NIC become dormant
VAT implication and issues	• The VAT group registration would need to be disbanded.	• Where NEHL is dormant, it would not be entitled to re-register for VAT as a stand-alone company. • There should be no requirement to repay any input VAT previously reclaimed by the VAT group, as it had an intention to make taxable supplies.	• Where NIC and NEHL are retained and seeking new commercial opportunities, the VAT group registration could be preserved until such time as new trading activities commence.

Key Corporation Tax principles applied to NEHL and NIC

NEHL

NEHL is a holding company. As such it does not currently have a trade of its own, instead its activities are investment related and are categorised as management expenses.

Excess management expenses are the amount of management expenses in excess of current-year income and gains. To the extent that they are not surrendered for group relief, they can be carried forward and a claim can be made for set off against total profit of the next accounting period, provided the company carries out an investment business in the next accounting period.

The draft computation for the year ended 31 March 2022 shows management expenses carried forward of £32k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £8k.

NIC

When a company commences trade is a “matter of fact”, with the principles being set out in case law rather than legislation (see Appendix 1 for further details).

In our opinion NIC commenced trade on 15th September 2021. This is because it had offered international health consultancy services to a potential customer, and this customer had entered into a contract for the Rong Qiao project with NIC. Furthermore, it appears to have had the resources available to provide those services, given the £300k of working capital available within NEHL which could be utilised by NIC as well as the use of staff employed by NCC.

The draft computation for the period to 31 March 2022 shows that the company has trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

Note that the draft computations for the period ended 31 March 2022 are subject to change, in particular, the outcome of this report may impact on whether the losses are carried forward.

High level information around the conditions for carrying forward trading losses is found in Appendix 1. However, in summary, due to the termination of the Rong Qioa project, cancellation of the PI and the voluntary redundancy of a key director, there is a risk that NIC ceased trading either at 31 March 2022 or soon after. If that is the case then the trading losses cannot be carried forward.

Dissolve NIC and strike off the Register at Companies House

The Council may wish to dissolve NIC to close down all the historic issues and previous contractual relationships. This approach would provide certainty, although costs would be incurred in closing down NIC. It should however ensure that no further unanticipated costs would be incurred in relation to this legal entity.

Corporation Tax implications

The key Corporation Tax issues include:

- The impact on the losses carried forward
- Dealing with the debt between NIC and NEHL
- Implementation of the strike off

Impact on losses carried forward

The draft computation for the period to 31 March 2022 shows that the company has trading losses carried forward of c£112k. On the assumption that the Corporation Tax rate increases to 25%, these losses have a potential value of £28k.

If no action was taken prior to the strike off, then the losses currently shown as being carried forward by NIC would be lost. This is because the company has ceased to trade.

One possible option would be to transfer the trade and assets of NIC to NEHL prior to the company being struck off in an attempt to preserve the losses. Appendix 1 explains more about the legislation under which a transfer may occur. However, there are a number of risks to be considered before undertaking this administrative exercise:

- The losses may already be invalid, given the activities of NIC are currently negligible.
- The company has no assets from which it trades. Hence it could be difficult to argue that a trade has been transferred.
- To show that the company has not ceased trade, activities would need to carried on in NIC from 1 April 2022 until the transfer, so for example NCC would need to charge for staff time spent looking for new opportunities for NIC.
- Following the transfer NEHL would need to be able to show that it was continuing the trading activities of NIC. Hence for example staff time would need to be charged by NCC for looking for new opportunities.
- Note that simply charging staff time may not be enough to demonstrate the continuation of trade. Given that neither NIC or NEHL are unable to tender for any consultancy contract without PI, HMRC may argue that it is not in a position to trade, so the trade ceased when the PI was cancelled.

Debt between NIC and NEHL

The draft accounts for the year ended 31 March 2022 show that NIC owes NEHL £117k. Prior to the company being struck off this debt must be dealt with.

Under the Corporation Tax loan relationship rules, normally the write off of a connected party loan is tax neutral i.e. the creditor is not taxed on the credit to the P&L, but the debtor does not receive a deduction for the debit.

To help ensure that this tax neutral position is achieved we would recommend that firstly the debt if converted into a loan note, this is to make it clear that the debt falls within the loan relationship rules. Secondly, a deed of release should be entered into to write off the debt. Only if the debt is formally written off can the debt be cancelled and the balance be brought down to £nil by NIC.

Following the release of debt, using the draft figures as at 31 March 2022, the reserves of the two companies would be as follows:

	NEHL		NIC	
Share capital		300,000		100
P&L reserve 31/3/22	-	31,647	-	117,496
Release of debt	-	117,496		117,496
C/f P&L reserve	-	149,143		-
Shareholders funds following release		150,857		100

[Please note that if you did also wish to strike off NEHL, there are steps you would need to take prior to commencing the process to ensure any remaining cash did not become "bona vacantia" i.e. passed to the Crown. In summary you would need to perform a capital reduction to generate reserves to enable the company to pay a dividend to NCC. If you wish to discuss this further please let us know.]

Implementation

HMRC may agree to the informal submission of returns at the end of a company's life.

If for example, the aim was for the NIC to be struck off by 28 February 2022, we would recommend that the return for the period ended 31 March 2022 is filed online as soon as possible as work has already commenced on it. A letter would then be sent to HMRC asking for confirmation that they had no objections to the strike off. Within this letter financial information would be enclosed to show that the company has not generated any profits from 1 April 2022 to date.

HMRC are currently operating very slowly, so the sooner the process could start, the more chance that HMRC would be able to consider their position and confirm that they had no objections to the proposed strike off. Once this confirmation had been received you would then commence the process of striking off the company.

VAT implications

NIC would be required to de-register from VAT. This will have wider VAT implications for the VAT group as it would also mean that NEHL's VAT registration would be cancelled.

Where there is only NEHL in the VAT group, the existing VAT group would be disbanded and NEHL would need to consider whether it should (or could) re-register for VAT on an individual company basis.

Based on NEHL's current activities there would be no requirement for NEHL to be registered for VAT as it is not presently undertaking taxable business activities.

There should be no requirement for NEHL or NIC to repay any input previously reclaimed as the historic VAT recovery position was based on an intention to make taxable supplies. It should be possible for NIC to demonstrate that its intention to make taxable supplies was frustrated by circumstances outside of its control and as such it is not required to repay any input VAT. This position is supported by caselaw, Belgium v Ghent Coal Terminal BV [1998], the CJEU held that the company, Ghent Coal, retained the right to reclaim input tax as it had a genuine intention to use the inputs for taxable purposes. The intention did not change, where it was ultimately frustrated by circumstances beyond its control.

NEHL and NIC would need to submit a VAT de-registration application to HMRC and confirm that the VAT group does not have business assets on hand at deregistration on which the total VAT due would be in excess of £1,000.

The likely costs to de-register the NEHL/NIC VAT group would not exceed £1,000 plus VAT. There would be no on-going VAT compliance costs incurred.

Retain NEHL as a dormant holding company

Under this option we assume that NIC is struck off, leaving NEHL as a dormant holding company for future projects.

Corporation Tax implications

The key Corporation Tax issues include:

- When is a company dormant?
- Implications for Corporation Tax filing requirements
- Impact on management expenses carried forward

When is a company dormant?

For a company to be dormant for Corporation Tax purposes, generally it must receive no income and incur no expenditure. There are some exceptions to this, but these aren't relevant to this situation.

As discussed under the previous option, the company would have reserves and cash of c£150k following the striking off of NIC. We understand that the bank account of NEHL is not interest bearing therefore, if a decision was made to make the company dormant it would receive no income. It would need to incur no expenditure too, to be dormant.

Implications for Corporation Tax filing requirements

Where a company is dormant, it is possible to inform HMRC of the dormancy status so that there is no requirement to file an annual return for dormant period. This is a standard process. However, you must inform HMRC if the company becomes active again.

One advantage of a company becoming dormant therefore is the avoidance of professional fees for dealing with annual Corporation Tax compliance.

Impact on management expenses carried forward

Should NIC be struck off, and then NEHL becomes dormant, it may be difficult to argue that NEHL has a continuing investment business. As such there is a risk that the management expenses of £32k may be lost.

The company does hold some cash, which could be deemed to be an investment, however, if no costs are incurred in managing this investment e.g. staff time, then it would be difficult to argue that any investment activities are being performed.

VAT Implications

As outlined above, NEHL would need to de-register from VAT where there is no longer a VAT group in place when NIC is dissolved.

NEHL would not be eligible to register for VAT in its own right, where it does not undertake taxable business activities. NEHL would not be entitled to reclaim any VAT incurred moving forward, which should not really be an issue in terms of ongoing costs once it is dormant.

Where NEHL is to be used in the future, it would potentially need to re-register for VAT as a member of a new VAT group with new subsidiaries, or alternatively it could register for VAT as an individual company where it makes taxable business supplies, for example, taxable management charges to its trading subsidiaries.

Where NEHL re-registers for VAT as a member of a VAT group in the future, this would duplicate the costs incurred to date in terms of obtaining the VAT group registration. Consideration should be given to HMRC's current processing times for VAT group applications. It took 9 months for HMRC to process the existing VAT group application, which does not lend itself well to progressing new projects in a reasonable time frame.

Retain NEHL and NIC as a dormant trading group for future projects

Consideration could be given to retaining both NEHL and NIC as dormant companies, who are seeking potential new commercial opportunities and contracts.

Corporation Tax implications

The implications are similar to the previous option:

- When is a company dormant? See previous section.
- Implications for Corporation Tax filing requirements See previous section.
- Impact on management expenses carried forward in NEHL. See previous section.
- Impact on trading losses carried forward within NIC (see below).

Impact on trading losses carried forward within NIC

If NIC were to become completely dormant it would be more difficult to argue that the trade is continuing for Corporation Tax purposes, therefore it would be very difficult to retain the losses.

To be able to continue to carry forward the losses the company would need to show that there is an ongoing trade that is not small or negligible (in comparison to the trade in the year ended 31 March 2022). This would be based on the facts.

In Appendix 1 we have set out some legal cases relating to breaks in trading activities as well as cases considering whether new trades have started to give a flavour of the issues considered. These include:

- Scale of the trade – if the trade shrinks greatly then HMRC are more likely to argue that it has ceased.
- Nature of the trade – if for example NIC were to win another contract for international health consultancy work it would be very much akin to the project already undertaken by the company (albeit it was then terminated). If in comparison the company were to win a contract for consultancy on recycling matters, this is less likely to be seen as being akin to the current activities.

VAT implications

Where NEHL and NIC cease trading until such time as they can conclude new consultancy contracts with fee-paying clients, it should be possible for both companies to remain registered for VAT as members of the VAT group.

In principle, the VAT group should continue to be able to recover input VAT where it has an intention to make taxable supplies. In the absence of taxable supplies, the group could choose to submit nil VAT returns.

HMRC would expect the VAT group to start making taxable supplies within an appropriate period of time. Where nil or repayment VAT returns are submitted on an ongoing basis, it is likely that HMRC could make enquiries as to why the group remains registered for VAT. The group would

then need to explain the position and demonstrate that it has been actively seeking new consultancy opportunities and contracts.

The benefit of this approach is that the VAT group registration would be preserved and it would be immediately in place as and when new commercial opportunities are identified.

From a practical perspective, no additional costs would be incurred where the companies become dormant. VAT group returns would need to submitted on either a nil or small repayment basis. The group may need to respond to HMRC enquiries in due course, where there is a significant break in trade.

Appendix 1

Commencement of trade

The date that a trade starts is not defined in legislation and so is looked at on a case-by-case basis. The courts have provided some general rules that a trade cannot commence until the trader:

- is able to provide the goods or services for the trade; and
- offers the goods or services to potential customers.

Pre trading (included for completeness)

Revenue expenses incurred in the seven years before a trade commences are treated as incurred on the first day of trading, provided they would be tax deductible under normal principles (e.g. wholly and exclusively incurred). This means it is not possible to create a pre-trading loss, so there is no relief at all until the trade has started.

Capital expenditure incurred before a trade starts (there is no seven-year limit) that would qualify for capital allowances is also treated as incurred on the day trading starts.

Trading losses

The rules around trading losses are complex. Also from 1 April 2017 there were some fundamental changes to losses rules. As the NIC losses arose post 1 April 2017 we have only discussed the "new" rules.

Some of the key points are:

- Ignoring group relief, losses arising from a trade within a company can be carried forward to the next accounting period for relief against total profits. However, the company must carry on the trade in the next accounting period and meet the following conditions in respect of the trade:
    - It did not become small or negligible in the loss-making period
    - is commercial in the loss-making period and in the period in which the loss is relieved
    - was not carried wholly outside the UK
    - was not one of farming or market gardening which has made losses for the previous five years or more
    - was not a trade of dealing with commodity futures, and
    - does not fall within the rules for creative sector tax relief

- From 1 April 2017, it is possible to group relieve brought forward trading losses. However, the companies must have been part of the same 75% group at the time the losses arose through to the time that the surrender/claim is made.

Cessation of trade

As with the commencement of trade, the date of the cessation of trade is not defined in legislation.
Where a company ceases trade there is an end of accounting period for Corporation Tax purposes. Any trading losses cannot be carried forward.

Note: there are special rules around "terminal loss relief", however, these won't be relevant in this case because the NIC has never generated a profit.

Break in trading activities

Case law has found that a period of trading activity may be followed by a period in which little or no activity takes place, which is then followed by further trading activity. In such circumstances:

- The new activity must be similar in scale and/or nature to the old one, otherwise it may represent the commencement of a new trade
- Where the new activity is similar in scale and nature HMRC may look at all the circumstances in which the break occurred, including the length of the break and the intentions of the business owners (as shown by their actions) at the time the earlier activity ceased

Relevant cases to the above:

Kirk & Randall Ltd v Dunn (1924) – in that case trading activity of a company declined and for a period of approximately five years no new business was obtained despite strenuous efforts to do so. It was accepted that this was largely due to the prevailing economic conditions. Eventually there was an upsurge in business and profits were made. It was held that there had been a continuation of the same trade throughout the period.

Osbourne & Co (Sheffield) Ltd - the company ceased active trading and realised all its assets on the compulsory purchase of its premises in 1939. The Revenue were informed that the company would be wound up. However, it remained merely dormant. Trading activities similar to its former trade were resumed from new premises, following a change of shareholding, in 1944. It was held (reversing the decision of the General Commissioners) that the company's 1944 trade was not a continuation of its old trade.

JG Ingram v Callaghan - A company (J), which manufactured and sold rubber surgical goods, traded at a loss for several years. A receiver was appointed, and in September 1961 its plant was sold and its factory closed. From then until June 1962, J sold similar goods made by an associated company. In June 1962, after a change in shareholding, J began making similar goods, but using plastic instead of rubber, and using plant and factory space obtained from its new parent company. Throughout this time, it sold the goods under its own brand name. J claimed loss relief on the basis that it had carried on a continuous trade. The Special Commissioners rejected the claim, holding that the old trade was permanently discontinued in September 1961, that a new trade was begun in June 1962, and that the intervening merchanting was a separate trade. The CA unanimously upheld their decision, holding that the fact that J sold surgical goods continuously did not necessarily mean that it had carried on a continuing trade. Lord Donovan held that there was 'an organic unity about a trade'.

Seaman v Tucketts Ltd – Until November 1958 the company had carried on the trade of the manufacture and sale of confectionary. It had two retail shops that were closed in September

1958. Manufacture ceased in November 1958 and factory was sole in April/May 1959, after stock had been sold off. However, the company continued to buy sugar and cellophane paper from two suppliers, which it resold to its parent company at a surcharge of 10%, the parent company had previously bought from those suppliers direct. From January 1961 the company supplier sweets to the parent company's canteen. Later it also sold sweets and biscuits on a wholesale terms to a connected party. It was held that the company had begun a new trade of selling sugar.

Robroyston Brickworks Ltd v CIR The taxpayer company owned the Robroyston Brickworks in Glasgow. For some years the company had been making losses. In August 1968 C Ltd, which carried on the same trade at the Herbertshire Brickworks nearby, acquired the taxpayer company to eliminate competition and to acquire the rights to set off losses against its future profits. C Ltd intended that the taxpayer company should begin making bricks at Herbertshire using the machines and employees of C Ltd. Accordingly the taxpayer company began to close down operations at Robroyston. In March 1968 it ceased to make bricks and paid off most of its employees. Between then and August 1968 it sold off its entire stock of bricks and its plant and machinery, paid off its creditors and dispensed with its remaining employees. As soon as the takeover was completed it began making bricks at Herbertshire. The Revenue rejected its claim to set off against its trading income the losses incurred in its trade in preceding accounting periods and the General Commissioners upheld the assessments. On appeal it was held that the trade continued throughout, essentially because the winding down of the business was for a relatively short time. It was simply in contemplation of a planned move to the new site. The company was, therefore, entitled to carry forward and set off its trading losses from previous years.

More than one trade

Where a particular trading activity ceases, the question may arise as to whether the activity forms part of a larger trade or constitutes a separate trade in its own right. This, once again, is a question of fact.

Where only a part of a trade or business is discontinued, the cessation provisions do not apply in respect of that part which has been discontinued. The case is dealt with as if the whole of the business had continued and the assessment for the year in question is made on the normal current year basis.

Relevant cases to the above:

Howden Boiler & Armaments Co Ltd v Stewart (1924) – a firm of boiler makers secured a large contract for the making of armaments. In 1915, the business was transferred to a company with objects which included boiler-making and armament-making. The making of armaments was carried on in new premises erected for the purpose adjacent to, but having no intercommunication with, the original works. Each works had its own separate plant, workmen, technical and clerical staff, set of books and trading accounts, but both were under the same general direction and management. There was one profit and loss account and balance sheet, and bank interest and management expenses were charged without apportionment. In 1918 the manufacture of shells ceased, the staff engaged were dispersed, the shell-making plant was sold and the premises used for that purpose were let. The company contended that it had been carrying on two separate businesses and that the assessment should be based on its boiler-making profits only. The General Commissioners decided that the company had carried on one

business with two departments, and the court held that there was evidence to support the finding.

H & G Kinemas Ltd (1933) A company (H) sold two cinemas which it had operated in Hampshire, and opened a new cinema in London. The Special Commissioners upheld the Revenue's contention that H had began a new trade was set up when it opened the London cinema was opened. The KB upheld their decision as one of fact.

Cannon Industries Ltd v Edwards (1965) – A company (C) manufactured gas cookers, etc. for sale to companies in the same group. It began assembling electric food mixers for retail sale. The Special Commissioners upheld the Revenue's contention that the new activity was an extension of C's existing trade, and the Ch D upheld their decision.

Transfer of trade and assets within a group

The succession to trade rules enable trades to be transferred under common 75% ownership with the ability to carry forward tax losses into the successor company and a tax-neutral transfer for capital allowances purposes. The transfer of a trade between group members is commonly also referred to as a 'hive down', 'hive up' or 'hive across', depending upon the group structure in question. Without rules to the contrary, the trade would be treated as permanently ceased in the transferor company, resulting in losses being lost and balancing adjustments in the capital allowances pools. The succession to trade rules only apply to transfers between companies and not to an individual or partnership comprised of individuals.

The succession to trade rules apply where one company owns at least 75% of another or both companies are under the 75% common ownership of the same person or persons; a person can, in this situation, either be a company or an individual. The rules are compulsory where the conditions are met and therefore a claim is not required. The trading losses transferred will be reflected in the tax computations for the transferor and transferee company (most leading tax software packages include a specific input field where the losses being transferred under the succession rules can be entered).

Where the conditions are met, the following apply:

- plant and machinery will automatically be transferred to the successor company at tax written-down value. Where the transfer takes place part-way through an accounting period, the allowances for that accounting period will be split between the two companies.
- trading losses are transferred to the successor company along with the trade subject to anti-avoidance rules. The predecessor company is unable to make a terminal loss claim which would ordinarily allow trading losses to be carried back three years.

The losses transferred to the successor company can be utilised as follows:

- against future total profits of the company provided the losses were post-1 April 2017 and were either incurred in the accounting period in which the predecessor ceased to carry on the trade or carried forward to that period and they have not been relieved against total profits or group relieved
- group relieved provided the losses were post-1 April 2017 and were either incurred in the accounting period in which the predecessor ceased to carry on the trade or carried forward to that period and they have not been relieved against total profits or previously group relieved

Haines Watts Newcastle
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Tel: 0191 2699960

Haines Watts Darlington
Sterling House
22 St Cuthbert's Way
Darlington
DL1 1GB

Tel: 01325 254700

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