Corporation Tax

Accounting & Finance

How taxable profit differs from accounting profit.

Typical adjustments from accounting to taxable profit.

Add back

- Depreciation, replaced by capital allowances
- Entertaining costs, generally disallowed
- Fines and penalties
- General provisions
- Some legal and professional fees

Deduct

- Capital allowances on qualifying assets
- Trading losses brought forward
- Qualifying charitable donations
- Research and development relief

Educational reference. Rates, reliefs and disallowable items differ by jurisdiction and change with each budget.