



# Did you know?

06/2018

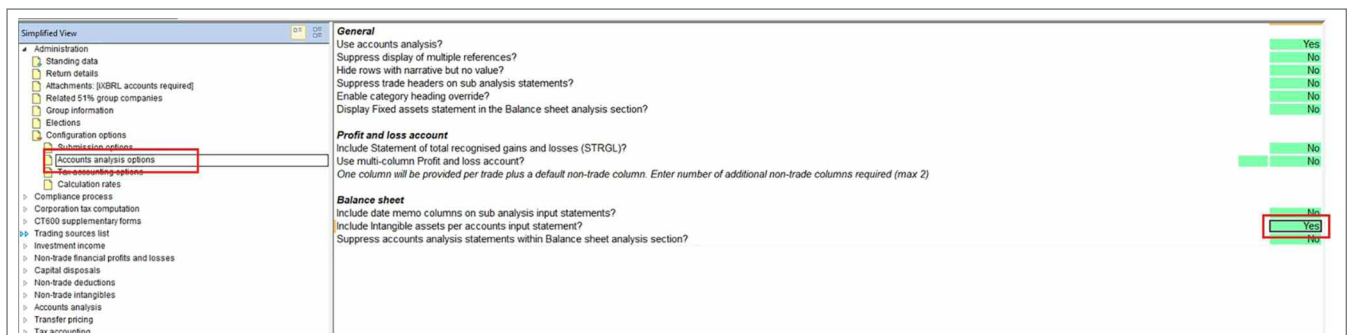
## How to claim the '100% Research & Development Allowance' in Alphatax

A common query that our support desk has received recently is how to claim capital allowances for Research & Development expenditure, along with other category types. Below is a tutorial on utilising the '**Other assets list**' statement within Alphatax to claim capital allowances on Research & Development expenditure.

The amount can be tax categorised from the Balance sheet analysis section using Accounts Analysis.

In this example, the amount will be entered in the '**Intangible assets per accounts**' statement.

To switch this on, select **Administration – Configuration options – Accounts analysis options** – Change the option '**Include Intangible assets per accounts input statement**' to Yes. This approach is based on the use of Accounts Analysis functionality. However, if you require further information, please contact your Account Manager, or Support using the contact details at the end of this item.



**General**

- Use accounts analysis?  No  Yes
- Suppress display of multiple references?  No  Yes
- Hide rows with narrative but no value?  No  Yes
- Suppress trade headers on sub analysis statements?  No  Yes
- Enable category heading override?  No  Yes
- Display Fixed assets statement in the Balance sheet analysis section?  No  Yes

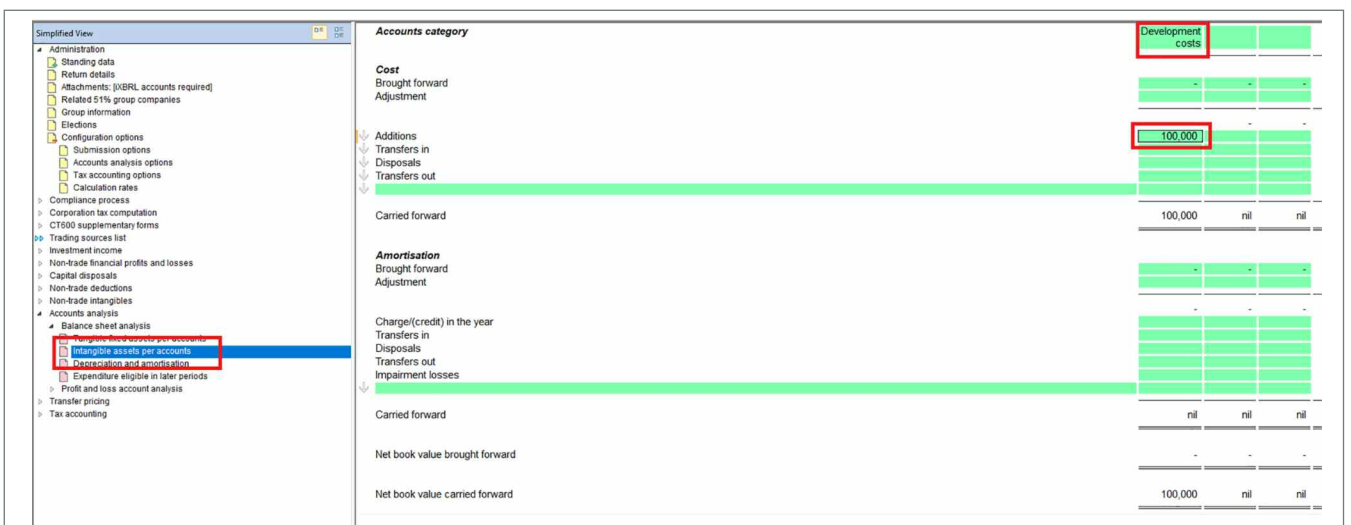
**Profit and loss account**

- Include Statement of total recognised gains and losses (STRGL)?  No  Yes
- Use multi-column Profit and loss account?  No  Yes
- One column will be provided per trade plus a default non-trade column. Enter number of additional non-trade columns required (max 2)

**Balance sheet**

- Include date memo columns on sub analysis input statements?  No  Yes
- Include Intangible assets per accounts input statement?  No  Yes
- Suppress accounts analysis statements within Balance sheet analysis section?  No  Yes

Select the 'Intangible assets per accounts' statement within the Balance sheet analysis section. Enter a description in the heading, and the amount in the Additions line.



Accounts category	Development costs		
<b>Cost</b>			
Brought forward			
Adjustment			
<b>Additions</b>			
Transfers in			
Disposals			
Transfers out			
Carried forward	100,000	nil	nil
<b>Amortisation</b>			
Brought forward			
Adjustment			
Charge/(credit) in the year			
Transfers in			
Disposals			
Transfers out			
Impairment losses			
Carried forward	nil	nil	nil
Net book value brought forward			
Net book value carried forward	100,000	nil	nil



Click on the downward arrow to the left of the additions line and tax categorise the amount as 'Research and Development expenditure' in the relevant trade.

The screenshot shows the 'Tax Categoriser' dialog box with 'Research and development expenditure' selected. Below it is a table for 'Development costs':

Development costs			
100,000			
100,000	nil	nil	nil
nil	nil	nil	nil
100,000	nil	nil	nil

This will link the item to a new statement within the 'Other assets list' section within Capital allowances. The Research and development categorisation box is automatically set to Yes at the bottom of this statement. This will apply a 100% capital allowance claim against the addition.

The screenshot shows the 'Development costs' statement with the following table:

Cost b/f	WDV b/f	Transfer in Cost	Transfer in WDV	Addition	Disposal	Transfer out WDV	Net CAs	WDV c/f
-	-			100,000			100,000	-
nil	nil	nil	nil	100,000	nil	nil	100,000	nil

Optional capital allowance categorisation (one per statement):

- Patents: No
- Know how: No
- Acquisition of mineral assets [10%]: No
- Mineral extraction expenditure [25%]: No
- Research and development: Yes

The item will be tagged in the computation as 'ResearchDevelopmentAllowancesQualifyingExpenditure'. The amount will show in box 725 in the CT600 return as 'Other allowances and charges'.

The screenshot shows the 'Other allowances and charges' entry in box 725 with a value of £730.

Click on the accessory statement icon to enter in additional information. Press F1 in this statement to refer to the Help Menu for further details.

If you would like more detailed information or need further assistance, then please contact us on 01784 777 666 or by email to [support@taxsystems.com](mailto:support@taxsystems.com).