

Corresponding accounting periods. CTA76 s118 422.—(1) For the purposes of group relief, any accounting period of the claimant company which falls wholly or partly within an accounting period of the surrendering company shall correspond to that accounting period.

(2) Where an accounting period of the surrendering company and a corresponding accounting period of the claimant company do not coincide—

(a) the amount which may be set off against the total profits of the claimant company for the corresponding accounting period shall be reduced by applying the fraction—

$$\frac{A}{B}$$

(if that fraction is less than unity), and

(b) those profits against which the amount mentioned in paragraph (a) (as reduced where so required) may be set off shall be reduced by applying the fraction—

$$\frac{A}{C}$$

(if that fraction is less than unity),

where—

A is the length of the period common to the 2 accounting periods,

B is the length of the accounting period of the surrendering company, and

C is the length of the corresponding accounting period of the claimant company.