HMRC - OT17780 - PRT: Safeguard - Deferred Expenditure Claims - Example 3

Example 3: Utilisation of Oil Allowance

A company’s safeguard capital base is £300m. Its final period of safeguard is 1H01.

The 1H01 assessment is as follows:

\*15% of £300m is greater than £30m (the adjusted profit) so no PRT is due.

On 28 February 2002, a claim of £20m operating expenditure is submitted relating to the claim period 1H01.

If this claim had been allowed before the making of the 1H01 assessment, the assessment would have shown:

The deferred claim will be disallowed. However, the oil allowance that the participator would not have used had the claim been allowed before the making of the 1H01 assessment - cash equivalent £10m (20-10) - is made available for future field use. The1H01 assessment is not amended.

Previous page