

Example 1¹:

	<u>Accounting Period 1 € million</u>	<u>Accounting Period 2 € million</u>
Income from relevant trade before allowances and interest:	10	11
Capital allowances at fixed rate of 7% p.a.:	7	7
Interest deductible:	3	3
Allowances carried forward from previous Accounting Period:	NIL	2
80% of income from relevant trade, before allowances and interest:	8	8.8
Interest deductible:	3	3
Capital allowances [restricted]:	5	5.8
Income chargeable:	2	2.2
Allowances available for carry forward:	2	3.2