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Excess reportable income and capital gains: a worked example

How the Allocra client workpaper reaches each figure for one client, checked by hand. Version 0.5, 28 November 2026.

The client workpaper turns a client's transactions into two sets of figures for the Self Assessment return: the capital gains for SA108, and the excess reportable income for SA106. This note takes the example client on the page and shows how every figure is reached, so you can check our arithmetic with a calculator before you rely on it.

The client is invented. The funds, their reporting status and the figures their issuers published are real.

1. The example client

Two offshore funds, held outside an ISA or pension. Both are Irish funds on HMRC's list of approved offshore reporting funds (list dated 6 October 2026).

Date		Fund	Units	Amount
14 Mar 2023	Bought	iShares Core MSCI World (SWDA), IE00B4L5Y983	300	£19,840.50
1 Jun 2023	Bought	Vanguard FTSE All-World (VWRP), IE00BK5BQT80	200	£17,020.00
6 Feb 2024	Bought	iShares Core MSCI World (SWDA)	120	£9,012.20
18 Sep 2025	Sold	iShares Core MSCI World (SWDA)	150	£14,310.00

A purchase amount is everything paid, charges included. A sale amount is what was received after charges.

2. Excess reportable income

An accumulating offshore fund pays nothing out, but its investors are still taxed on its income. Each year the issuer publishes the income per unit that it has not distributed. The workpaper makes each figure in five steps.

1. **Units.** Count the units held at the end of the fund's reporting period. The investor entitled is the one holding at the period end.
2. **Amount.** Multiply the units by the issuer's published figure per unit, and round to two places.
3. **Date.** Treat the amount as received six months after the period end. HMRC calls this the fund distribution date.
4. **Tax year.** Place the amount in the tax year that date falls in.
5. **Sterling.** Convert at the exchange rate for that date, and round to two places.

Neither fund is reported as a bond fund, so every amount here is a dividend. For a bond fund it would be interest.

SWDA

Period end	Units held	Per unit, USD	Amount, USD	Treated as received	USD per £	Sterling	Tax year
30 Jun 2023	300	1.3824	414.72	31 Dec 2023	1.2743	£325.45	2023/24
30 Jun 2024	420	1.4619	614.00	31 Dec 2024	1.2521	£490.38	2024/25
30 Jun 2025	420	1.534233	644.38	31 Dec 2025	1.3447	£479.20	2025/26

Check the first row: 300 × 1.3824 = 414.72 USD. 414.72 ÷ 1.2743 = £325.45.

VWRP

Period end	Units held	Per unit, USD	Amount, USD	Treated as received	USD per £	Sterling	Tax year
30 Jun 2023	200	1.969627	393.93	31 Dec 2023	1.2743	£309.13	2023/24
30 Jun 2024	200	2.063025	412.61	31 Dec 2024	1.2521	£329.53	2024/25
30 Jun 2025	200	2.247918	449.58	31 Dec 2025	1.3447	£334.33	2025/26

Income by tax year

Tax year	SWDA	VWRP	Total dividends
2023/24	£325.45	£309.13	**£634.58**
2024/25	£490.38	£329.53	**£819.91**
2025/26	£479.20	£334.33	**£813.53**

Each total is above £500, so it goes on the SA106 Foreign pages F2 and F3 as dividends from foreign companies, with Ireland as the country. A total of £500 or less would go in box 6 on page TR3 of the SA100.

The period to 30 June 2026 has ended and the client held units, but neither issuer's figure was on file on 28 November 2026. The workpaper lists it as awaited, with an expected date of 31 December 2026 in tax year 2026/27. It does not estimate it.

Where the per-unit figures come from

Each issuer's own report to investors, read on 7 November 2026. The workpaper prints the address of the report under its income schedule.

- SWDA: iShares III plc reportable income reports for 2023, 2024 and 2025, published at ishares.com.
- VWRP: Vanguard Funds plc reportable income reports for the periods to 30 June 2023, 2024 and 2025, published at fund-docs.vanguard.com.

3. The holding and the sale

Units of one fund are pooled as a section 104 holding. Reportable income is added to the cost of the holding on the date it is treated as received, so the same income is not taxed again as a gain when the units are sold.

SWDA, line by line

Date	Event	Units	Cost added	Pooled cost
14 Mar 2023	Bought 300	300	£19,840.50	£19,840.50
31 Dec 2023	Reportable income, period to 30 Jun 2023	300	£325.45	£20,165.95
6 Feb 2024	Bought 120	420	£9,012.20	£29,178.15
31 Dec 2024	Reportable income, period to 30 Jun 2024	420	£490.38	£29,668.53
18 Sep 2025	Reportable income, period to 30 Jun 2025, in cost before the sale	420	£479.20	£30,147.73
18 Sep 2025	Sold 150 of 420	270	(£10,767.05)	£19,380.68

The sale on 18 September 2025

Step	Figure
Pooled cost at the last distribution date, for 420 units	£29,668.53
Add the income for the period to 30 June 2025	£479.20
Pooled cost immediately before the sale	£30,147.73
Cost of the 150 units sold: £30,147.73 × 150 ÷ 420	£10,767.05
Proceeds	£14,310.00
Gain: £14,310.00 less £10,767.05	**£3,542.95**
Holding after the sale	270 units, £19,380.68

The client bought no SWDA on the day of the sale or in the 30 days after it, so the same-day and 30-day rules do not apply and the whole sale is matched to the pool. Where they do apply, the workpaper matches in that order and shows each match.

Why the 2025 income is in the cost before the sale. The sale falls after the fund's period end of 30 June 2025 and before 31 December 2025, the date that period's income is treated as received. The client held 420 units at the period end, so is taxed on the income for all 420. Regulation 99(5) treats that income, for capital gains, as received immediately before the sale. So the £479.20 enters the cost of the holding before the 150 units leave it, and the units sold carry their share, about £171. The date for income tax does not move. The income is still received on 31 December 2025.

HMRC's example at IFM13373 in the Investment Funds Manual shows the same result: an investor sells everything, and the last period's income, reported after the sale, is still in the base cost. The workpaper's tests reach HMRC's base cost of £34,060 on that example's amounts.

VWRP

Nothing was sold, so each amount enters the cost on its distribution date. The holding at 5 April 2026 is 200 units at a pooled cost of £17,020.00 + £309.13 + £329.53 + £334.33 = £17,992.99.

4. The figures for the 2025/26 return

Box	Figure	Value
SA108 box 23	Number of disposals	1
SA108 box 24	Disposal proceeds	£14,310.00
SA108 box 25	Allowable costs	£10,767.05
SA108 box 26	Gains in the year, before losses	£3,542.95
SA108 box 27	Losses in the year	£0.00
Information	Annual exempt amount for 2025/26	£3,000.00
Information	Net gain after the exempt amount	£542.95
SA106 F2, F3	Dividends from foreign companies, Ireland	£813.53

Annual exempt amount: gov.uk, Capital Gains Tax rates and allowances, verified 12 September 2026. No losses brought forward were entered.

5. Exchange rates

The rate held is the Federal Reserve's noon buying rate in New York for the date the income is treated as received, from its H.10 release, in US dollars per pound. Where the Federal Reserve published no rate for that day, the workpaper uses its last rate in the seven days before, and says which. 31 December 2023 was a Sunday, so the rate of 29 December 2023 is used.

The Federal Reserve quotes the pound against the dollar. A figure in another currency, such as euros, is converted at a rate worked out through the dollar from the same day's rates. Where the Federal Reserve gives no rate at all, HMRC's published monthly exchange rate is used, and the workpaper marks it.

If your practice uses a different rate, type it in the Exchange rates panel. The workpaper recomputes the income and the cost of the holding, and marks the figure "preparer's rate" in the schedule and in the CSV. The rate is saved in the client file.

6. What the workpaper will not do

- Estimate. A figure the issuer has not published is listed as awaited. A figure with no exchange rate is shown in the fund's currency and left out of the totals.
- Include cash dividends. The figures are the excess over what a fund paid out. Cash distributions from a distributing fund are returned from the platform's own statement or tax certificate.
- Read an ISA or pension. Sales inside one are not disposals, and reportable income does not arise there.
- Store the client. The record stays in your browser. The only thing sent is the list of ISINs, to check them against HMRC's list. To keep a client, save the client file to your own computer.
- Give advice. It is a computation for you to check against the client's platform statements.

Three things it flags for your judgement

- A provisional gain. Where a period the units were held through has no figure, because the issuer has not published it, it is not on our file, or no exchange rate is held for its date, the gain shown does not include it. The workpaper says the gain is provisional, names each period, and says the gain is too high by what is missing. It works this out by recomputing

the holding with the period's income in place, so a gain is marked only when a missing figure is in the cost of the units sold. The same is said of the cost carried forward on a holding that was not sold.

- A sale on the last day of a fund's reporting period. The workpaper treats units sold that day as held at the period end, so the period's income is attributed to them, following HMRC's example at IFM13373. It names the sale and states the other view, that a sale completed before the period ended carries no income for it. Where those units were bought back within 30 days, regulation 94(3A) attributes the income whichever view is taken, and the workpaper says so.
- Dividend or interest. Whether a fund is a bond fund comes from the issuer's report. Where the report does not say, or marks one period differently from the fund's other periods, the amount is left out of both totals until you decide, period by period. We found issuers' own reports doing the second: one 2021 report marks several bond funds as not bond funds for that year alone.

7. What you supply

The workpaper does not guess. Where it cannot know a fact, it leaves the item out of every total, says so on the document, and asks you. What you enter is marked on the workpaper as the preparer's and saved in the client file.

- A figure we do not hold. If the client held a fund before our figures for it begin, or the fund's manager is one whose reports we cannot read, the page lists each period with units held and no figure. You enter the excess per unit from the fund's report to participants, against one of the fund's own period ends. A date that is not one of them, such as the fund distribution date six months later, is refused unless you confirm the report gives it as a period end. One period takes one figure.
- A fund's year end. Where nothing on our file shows it, you state it once. The page then lists every period the client held units through. Until each has a figure, a gain on that fund is marked provisional.
- An exchange rate. Your practice's own rate in place of the one held, or a rate for a date we hold none for.
- What a holding is. Where HMRC's list and the London Stock Exchange's list do not settle whether something is a reporting fund, a fund that is not one, or a share, its disposals are in no box until you say. The same applies where the client dealt in a fund before the start date HMRC's list gives for its reporting status, and the answer is that it had distributor status until then or was a reporting fund then too.

8. Which funds we hold figures for

Reportable income figures were on file for 2,354 share classes from 12 fund houses on 7 November 2026. For a client who held a fund before the earliest period shown, the earlier periods are listed as missing, for you to enter from the fund's reports.

Fund house	Share classes	Earliest period end	Latest period end
iShares (7 umbrellas)	877	5 May 2017	31 Mar 2026
Xtrackers (3 umbrellas)	416	31 Dec 2022	31 Dec 2025
Invesco (3 umbrellas)	278	30 Sep 2023	31 Dec 2025
SPDR (2 umbrellas)	145	31 Mar 2024	31 Mar 2025
UBS	138	31 Dec 2022	31 Dec 2025
Vanguard	103	30 Jun 2022	30 Jun 2025
HANetf	95	31 Mar 2024	31 Mar 2025
HSBC	88	7 Jun 2023	31 Dec 2025
WisdomTree	81	31 Dec 2025	31 Dec 2025
Legal & General	68	30 Jun 2023	30 Jun 2025
Franklin Templeton	38	20 Nov 2023	30 Jun 2025
VanEck	27	31 Dec 2022	31 Dec 2025

Not held, because the issuer's report could not be read: JPMorgan, Amundi and Lyxor, ARK and Rize, First Trust, Global X, and Fidelity's UCITS ETFs. Where a client holds one of these, the workpaper says so and gives the reason, marks any gain on it as provisional, and takes the figures from you once you have stated the fund's year end.

9. What it covers, and what is left to you

The workpaper is built for one case and is checked hardest there: a UK resident individual holding reporting funds, entered by ISIN, outside an ISA or pension, where each fund has a single unbroken entry on HMRC's list and was bought on or after its start date.

Left to you, and said on the workpaper where it arises:

- A fund with more than one spell on HMRC's list, where the client dealt before the present spell. Its disposals are in no box, to be worked by hand.
- A fund that has closed or merged. HMRC's list gives the date its status ceased and not the reason, and what the client received may be treated differently.
- Transfers between spouses, gifts, and transfers in specie. These are not purchases or sales at the figure printed and are not entered as such.
- The annual exempt amount and rates for years before 2025/26, and the change of rates on 30 October 2024. The workpaper gives the gains and losses for any year; the exempt amount is held for 2025/26 only.
- Exchange rates for dates we hold none for. The amount is shown in the fund's currency and left out of the totals until you type a rate.
- Non-residents, the remittance basis and the foreign income and gains regime.

- Reading a platform's file. The page can read one into draft rows, each shown beside the file's own row for you to confirm, and it marks any row it is unsure of. Typing the rows by ISIN is the route this example follows.

10. The rules applied

- Offshore Funds (Tax) Regulations 2009, regulations 94 to 96: excess reportable income, its date, and its treatment as dividend or interest.
- The same Regulations, regulation 99, and HMRC helpsheet HS284: reportable income added to the cost of the holding. Regulation 99(4) dates it to the distribution date. Regulation 99(5) brings it forward to immediately before a sale that falls between the period end and that date. HMRC guidance: Investment Funds Manual IFM13372 and IFM13373.
- Regulation 94(3A): units sold before a period end and bought back within 30 days, after it, are treated as held at the period end.
- HMRC helpsheet HS265, Offshore funds, updated 6 April 2026.
- Taxation of Chargeable Gains Act 1992, sections 104, 105 and 106A: the pooled holding, and the same-day and 30-day matching rules.
- The same Regulations, regulation 17: a gain on a fund that is not a reporting fund when sold is an offshore income gain, taxed as income; regulation 42: a loss on such a fund is a capital loss. Schedule 1, paragraph 6: a fund that passed straight from distributor status to reporting status is treated as a reporting fund throughout.
- Exchange rates: Board of Governors of the Federal Reserve System, release H.10, daily noon buying rates in New York, as prepared 23 November 2026. HMRC's notes to the foreign pages (SA106 Notes) ask for the exchange rate at the time the income arose.
- Forms SA108, SA106 and SA100 for 2026, as published at gov.uk. Offshore income gains go in SA106 box 56 on the form for 2025 to 2026, and in box 41 on the forms for 2023 to 2024 and 2024 to 2025 (read on the forms themselves, 18 November 2026). The workpaper prints the box for its own year.

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