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Statistics of Government revenues from UK oil and gas production

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Petroleum Revenue Tax (PRT) and Government revenues from UK oil and gas production - GOV.UK

Index

Statistics of Government revenues from UK oil and gas production – including related assessment data for fields subject to petroleum revenue tax (PRT)

About these statistics

This is a National Statistics publication produced by HM Revenue and Customs. For more information on National Statistics and governance of statistics produced by public bodies please see the UK Statistics Authority website (www.statisticsauthority.gov.uk).

Key messages

Table 11.11

- Significant production decline and increasing costs have led to total revenues from UK oil and gas production dropping by 44% in 2012-13 and by 24% in 2013-14.
- In the last two years Corporation Tax revenues have declined by 60% from £8.8 billion in 2011-12 to £3.6 billion in 2013-14 and Petroleum Revenue Tax by 45% from £2.0 billion to £1.1 billion in 2013-14.

Table 11.12

- Profits assessable to Petroleum Revenue Tax (PRT) for 2013 declined by around 23% compared with 2012, as a result of lower production and higher expenditure in fields liable to PRT.
- PRT payable after oil allowance declined by 24% in 2013 following a fall of around 6% in 2012 compared with 2011.

Table 11.13

- For the PRT half year chargeable period ended 31st December 2013, there were 67 fields with gross profits chargeable to PRT of over £1 million. Of this total, 38 fields did not pay PRT as their profits were covered by expenditure and allowances. Of the remaining 29 fields paying PRT, 18 of these were liable to around 95% of the total PRT payable of £592 million.

Statistics published by HMRC for UK Oil and Gas sector

1. Name of publication: Table 11.11 Government revenues from UK oil and gas production
   Last published: April 2014
   Next publication date: April 2015
   Frequency of publication: Once a year in April

2. Name of publication: Table 11.12 Analysis of Petroleum Revenue Tax assessments
   Last published: June 2014
   Next publication date: December 2014
   Frequency of publication: Half yearly in June and December

3. Name of publication: Table 11.13 Numbers of oil and gas fields with different Petroleum Revenue Tax liabilities
   Last published: June 2014
   Next proposed publication date: December 2014
   Frequency of publication: Half yearly in June and December

New or updated statistics in this release

In this June 14 publication, tables 11.12 and 11.13 have been updated to include statistics relating to PRT assessments for the half year chargeable period ended 31st December 2013.

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Section 1

Current UK Oil and Gas Fiscal Regime

The tax regime which applies to exploration for, and production of, oil and gas in the UK and on the United Kingdom Continental Shelf (UKCS) currently comprises three elements:

‘Ring Fence’ Corporation Tax (RFCT)

This is calculated in the same way as the standard corporation tax applicable to all companies but with the addition of a ‘ring fence’ and the availability of **100% first year allowances for virtually all capital expenditure**. The ring fence prevents taxable profits from oil and gas extraction in the UK and UKCS being reduced by losses from other activities or by excessive interest payments. The current rate of tax on ring fence profits, which is set separately from the rate of mainstream corporation tax, is **30%**.

Supplementary Charge

This is an additional charge, currently at a rate of **32%** (increased from **20%** from 24th March 2011), on a company’s ring fence profits (but with no deduction for finance costs). A ‘field allowance’ removes from the charge to supplementary charge a slice of production income from qualifying small or technically challenging new fields.

Petroleum Revenue Tax (PRT)

This is a field based tax charged on profits arising from oil and gas production from individual oil and gas fields which were given development consent before 16 March 1993. The current rate of PRT is **50%**. PRT is deductible as an expense in computing profits chargeable to ring fence corporation tax and supplementary charge.

Section 2

Government revenues from UK oil and gas production – Table 11.11

Table information and briefing (for April 2014 publication)

The table shows historic receipts from all taxes levied on exploration and production activities of UK oil and gas from the UK and UK continental shelf. The table covers all years from 1968-69 to the last year for which we have total receipts figures, which is currently 2013-14. The table is supplemented by charts illustrating the changes in receipts from 1984-85 (chart C1) and the trends of oil prices compared with production and expenditure from 1984 (chart C2).

- Revenues from UK oil and gas production increased from £7.4 billion in 2007-08 to £12.4 billion in 2008-09, an increase of around 67%, mainly as a result of record high oil prices for 2008 pushing up revenues to the highest ever level.
- Revenues fell in 2009-10 to £5.9 billion, a reduction of around 50% from the previous year, due to falling oil prices, declining oil and gas production and increased capital expenditure for 2009.
- Although expenditure increased and production continued to decline for 2010, the increase in oil prices led to a significant rise in 2010-11 revenues by over 40% to £8.3 billion.
- This upward trend continued in 2011-12 with total revenues increasing to £10.9 billion, due to higher prices and an increase in the supplementary charge from 20% to 32% from 24th March 2011.
- In 2012-13 revenues dropped by around 45% to £6.1 billion and then fell again in 2013-14 by around 25% to £4.7 billion as a result of lower production and higher expenditure.

Changes to statistics in April 2014 release

- The table has been extended by one year to include 2013-14 receipts, with related charts also extended by one year.
- The table includes a revision to corporation tax receipts for 2011-12 (from £9,218 million to £8,840 million) and for 2012-13 (from £4,793 million to £4,393 million) to account for group payments that we have identified as not relating to UK oil and gas production operations.
- We have introduced a method of identifying group payments relating to non ring fence operations (outside UK oil & gas production) at an earlier stage than when the payments are distributed between company liabilities. Therefore, CT revenues featured in the table for 2012-13 and 2013-14 more accurately reflect the underlying level of ring fence payments and further revisions to the numbers are expected to be relatively small.
- In this release, the measurement of CT supplementary charge for 2002-03 to 2012-13 has improved as we have extracted the figures from assessment data. Previously, we estimated the levels of supplementary charge as a proportion of total CT receipts.

Table, charts and supporting notes

T11.11 Government revenues from UK oil and gas production

Amounts: £ million

Year	Total revenues (excluding gas levy)	Petroleum revenue tax	Supple-mentary petroleum duty	Corporation Tax: Total	Corporation Tax: ACT	Corporation Tax: Ring Fence CT	Corporation Tax: Supple-mentary charge	Royalty	Gas levy: Gross	Gas levy: Net of CT clawback
1968-69	1	-	-	-	-	-	-	1	-	-
1969-70	2	-	-	-	-	-	-	2	-	-
1970-71	5	-	-	2	-	2	-	3	-	-
1971-72	10	-	-	4	-	4	-	6	-	-
1972-73	15	-	-	4	-	4	-	11	-	-
1973-74	15	-	-	3	-	3	-	12	-	-
1974-75	20	-	-	5	-	5	-	[illegible]	-	-
1975-76	25	-	-	5	-	5	-	[illegible]	-	-
1976-77	81	-	-	10	-	10	-	71	-	-
1977-78	238	-	-	10	-	10	-	[illegible]	-	-
1978-79	565	183	-	93	40	53	-	289	-	-
1979-80	2,313	1,435	-	250	78	172	-	628	-	-
1980-81	3,743	2,410	-	341	97	[illegible]	-	992	-	-
1981-82	6,492	2,390	2,025	681	270	411	-	1,396	383	383
1982-83	7,822	3,274	2,395	521	[illegible]	319	-	1,632	471	272
1983-84	8,798	6,017	-	877	430	[illegible]	-	1,904	522	277
1984-85	12,035	7,177	-	2,432	[illegible]	[illegible]	-	2,426	500	239
1985-86	11,348	6,375	-	2,916	[illegible]	[illegible]	-	2,057	525	300
1986-87	4,783	1,188	-	2,676	[illegible]	[illegible]	-	919	515	305
1987-88	4,618	2,296	-	1,298	681	617	-	1,024	502	322
1988-89	3,168	1,371	-	1,195	685	510	-	602	407	231
1989-90	2,368	1,050	-	[illegible]	495	248	-	575	335	193
1990-91	2,312	860	-	847	363	484	-	605	291	174
1991-92	979	(216)	-	638	370	268	-	557	282	182
1992-93	1,305	69	-	682	480	202	-	554	287	193
1993-94	1,223	359	-	258	219	39	-	606	240	145
1994-95	1,642	712	-	380	299	81	-	550	175	96
1995-96	2,289	[illegible]	-	766	674	92	-	555	161	107
1996-97	3,303	[illegible]	-	890	460	430	-	684	198	132
1997-98	[illegible]	[illegible]	-	1,779	821	958	-	535	200	133
1998-99	[illegible]	504	-	1,605	655	950	-	343	-	-
1999-2000	[illegible]	853	-	1,268	120	1,148	-	389	-	-
2000-01	[illegible]	1,521	-	2,329	-	2,329	-	552	-	-
2001-02	5,370	1,307	-	3,515	-	3,515	-	548	-	-
2002-03	5,054	958	-	3,662	-	3,369	293	434	-	-
2003-04	4,223	1,179	-	3,057	-	2,291	766	(13)	-	-
2004-05	5,115	1,284	-	3,831	-	2,790	1,041	-	-	-
2005-06	9,323	2,016	-	7,307	-	5,210	2,097	-	-	-
2006-07	8,864	2,155	-	6,709	-	4,919	1,790	-	-	-
2007-08	7,408	1,680	-	5,728	-	3,402	2,326	-	-	-
2008-09	12,393	2,567	-	9,826		5,716	4,110	-	-	-
2009-10	5,921	923	-	4,998	-	2,839	2,159	-	-	-
2010-11	8,322	1,458	-	6,864	-	3,810	3,054	-	-	-
2011-12	10,872	2,032	-	8,840	-	4,714	4,126	-	-	-
2012-13	6,130	1,737	-	4,393	-	1,908	2,485	-	-	-
2013-14	4,671	1,115	-	3,556	-	1,665	1,891	-	-	-

Footnotes

1. Figures for Corporation Tax for 2012-13 and 2013-14 are provisional and subject to change in the future when payments originally made in respect of groups of companies for which some companies are within the ring fence oil and gas tax regime and some are not are subsequently re-allocated to individual companies within the groups.

2. The table reflects the evolving tax regime for the UK Oil & Gas industry, so there are changes in the types of duties levied featured throughout the years in this table. Some examples of the changes are as follows:

- Supplementary Petroleum Duty charged for only 2 years in the 1980's.
- Royalties abolished in 2002, although there were some residual repayments made in 2003.
- Introduction of the CT supplementary charge in 2002.

CHART C1
Government revenues from UK oil and gas production

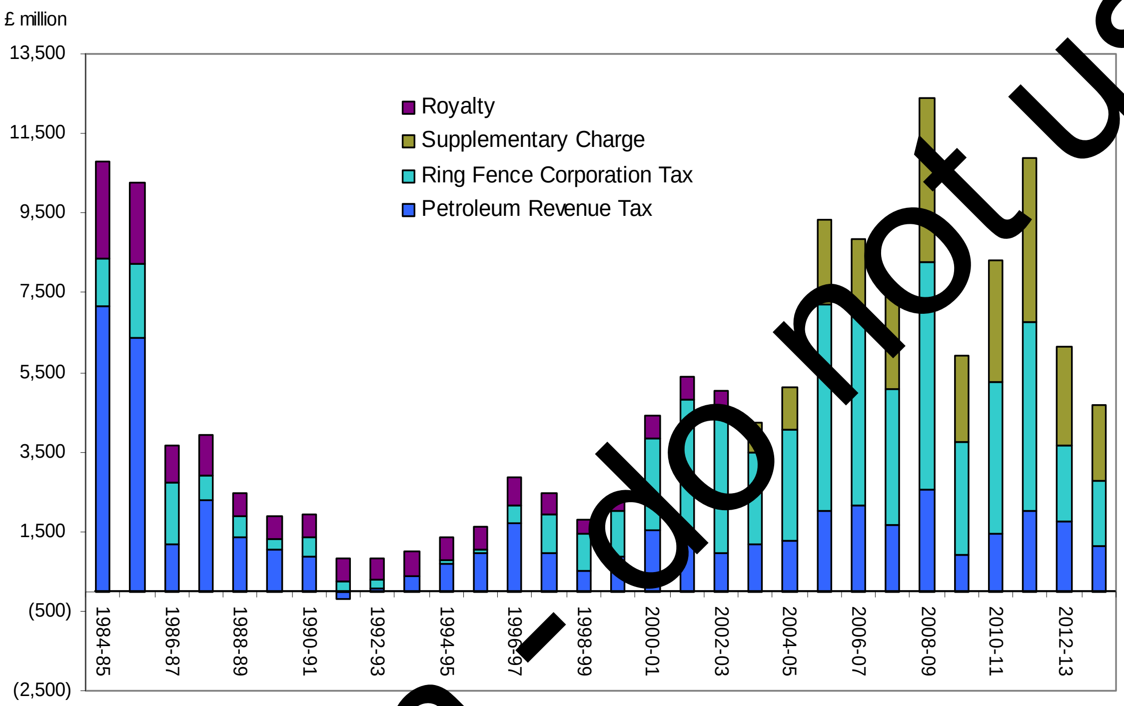
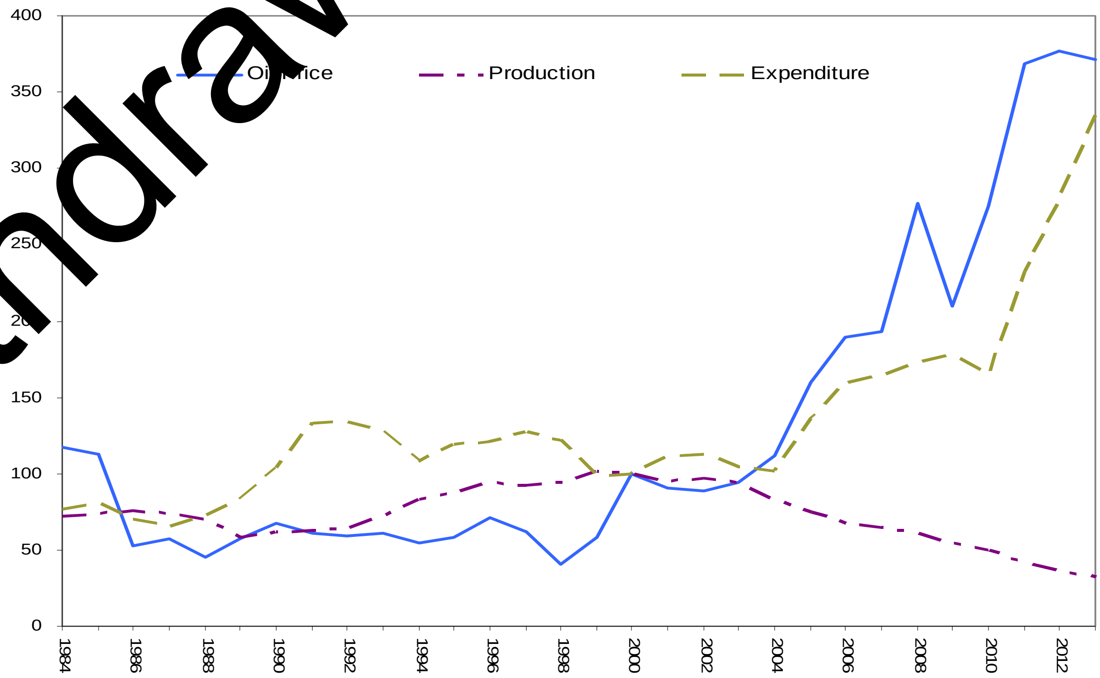


CHART C2
UK oil and gas production, the sterling oil price and total expenditure
Index series based on 2000 = 100



Notes on the Table and Charts (11.11, C1 and C2)
Government revenues from oil and gas production

1. Table 11.11 summarises the tax revenues from oil and gas production in the UK and its continental shelf since 1968-69. The yield from the gas levy is shown in the table, but it is excluded in estimates of the total tax on income from oil and gas production because it is categorised as a tax on expenditure.

2. The Corporation Tax estimates include the mainstream tax and the Advanced Corporation Tax (ACT) set-off against the tax charged. Dividends attributable to UK oil and gas production cannot be separately identified from other dividends and therefore the amount of ACT set-off is estimated.

3. CT supplementary charge receipts cannot be specifically identified when payments are made so they have been estimated using the latest assessment data.

4. Chart C1 shows the annual tax yield, and its separate components, since 1984-85. Chart C2 shows three of the main determinants of tax liability: annual production, the sterling oil price, and total expenditure. Each is shown as an index based on 2000 = 100 and the absolute values in 2000 were as follows:

   Production: 215 million tonnes of oil and the energy equivalent of gas (121 million tonnes of oil and natural gas liquids and 94 million tonnes oil equivalent of gas);

   Oil price: £142 per tonne (£18.90 per barrel) averaging over 2000;

   Total expenditure: £7.7 billion of capital, operating and exploration and appraisal expenditure.

5. The tax yield more than halved in 1986-87 because of the comparable fall in the oil price in 1986. Subsequently, it continued to fall as expenditure rose, but from 1992-93 to 1996-97 the yield rose steadily in line with rising production and some recovery in oil prices. From 1997-98 to 1999-2000 the yield dropped in line with falling oil prices then rose again as oil prices increased. The yield increased for 2005-06 and 2006-07, boosted by a change in the instalment regime for UK Oil & Gas companies, but declined in 2007-08 as a result of lower production and higher costs. There was a considerable increase in receipts in 2008-09 due to record oil and gas prices, but yield decreased by half in 2009-10 as prices dropped significantly, production declined and expenditure increased. Despite rising expenditure and the continuing falls in production, yield increased in 2010-11 and 2011-12 as prices rose from 2009 levels significantly and the CT supplementary charge was increased to 32% from 24th March 2011.

6. The steep increase in oil prices from 2003 through to 2011 served to inflate running costs and release capital for investment so expenditure increased during this period. Although the expenditure increases would have the effect of reducing revenues, this was outweighed by the impact of rising oil prices and the trend of revenues over this period was broadly in line with oil price trends. In 2012-13 and

2013-14 however, revenues dropped significantly as a result of lower production and higher expenditure.

7. Further information about UK Oil & Gas is available from the Department of Energy and Climate Change (DECC) at Oil and gas - GOV.UK

Analysis of Petroleum Revenue Tax assessments - Table 11.12

Table information and briefing (for June 14 publication)

The table covers petroleum revenue tax assessments raised on companies participating in fields given development consent on or before 16th March 1993 and the participators are charged at the current rate of 50% Petroleum Revenue Tax (PRT) on chargeable profits made. The assessments are raised for half year accounts periods ending 30th June and 31st December. The current table covers assessments for the first half of 2007 to the second half of 2013.

Change in 2013 H2 assessments compared with 2013 H1 assessments

- PRT assessable profits were £1,365 million in 2013 H2, falling by nearly 30% in comparison with 2013 H1.
- Income (gross profit) from oil and gas extraction dropped by around 11% to £4,083 million between 2013 H1 and 2013 H2, whilst field expenditure rose by around 2% to £2,690 million over the same period.
- There was £181 million in assessable profit relieved by oil allowance in 2013 H2. The introduction of oil allowance in the Oil Taxation Act 1975 was to protect the economics of small or marginal fields and provide a PRT free first slice of production to each field.
- This left 2013 H2 profit after oil allowance of £1,184 million and a consequential PRT tax charge at 50% of £592 million, representing a fall in PRT revenues of around 31% compared with 2013 H1.

Comparison of yearly totals

- On comparison with the totals for 2012 and 2013, assessable profits dropped by around 23% in 2013 to £3,306 million, with gross profits falling by around 7% to £8,670 million largely due to lower production.
- Field expenditure increased by around 8% in 2013 to £5,320 million and oil allowance fell by around 20% to £412 million, leaving profits chargeable to PRT of £2,894 million.
- The resulting PRT charge for 2013 was £1,447 million, representing a fall of around 24% compared with 2012.

Changes to statistics in June 14 release

- New assessment data has been added to table in this release for 2013 H2 following Large Business (LB) bulk issue of assessments on 30th May 2014 and data for 2006 H2 has been dropped from the table.
- There are minor historical changes to petroleum revenue tax payable in all periods except 2009 H1, in comparison with the December 2013 table publication, due to adjustments to expenditure, losses and oil allowance.

Table and supporting notes

T11.12

Analysis of Petroleum Revenue Tax assessments (1)
Assessments made by end May 2014
United Kingdom and United Kingdom Continental Shelf

Amounts: £ million

Six month chargeable period ended	30 Jun 2007	31 Dec 2007	30 Jun 2008	31 Dec 2008	30 Jun 2009	31 Dec 2009	30 Jun 2010	31 Dec 2010	30 Jun 2011	31 Dec 2011	30 Jun 2012	31 Dec 2012	30 Jun 2013	31 Dec 2013
Gross profit	4,593	4,913	6,646	5,409	3,774	3,823	4,611	4,416	4,731	4,907	4,987	4,293	4,587	[illegible]
plus other chargeable receipts	282	241	258	257	230	213	219	180	344	190	172	166	252	138
less royalties (2)	3	2	3	2	3	2	3	2	2	2	3	1	3	2
less field expenditure claimed in period	2,215	2,183	2,141	2,323	2,148	2,265	2,256	2,483	2,359	2,460	[illegible]	2,587	2,630	2,690
less cross field reliefs claimed in period (3)	23	11	15	17	31	26	26	18	12	15	59	60	16	5
less losses brought forward	49	78	71	68	101	84	130	87	139	72	42	30	230	160
less losses carried back	147	11	181	116	75	18	[illegible]	36	92	58	122	55	18	0
Assessable Profits	2,436	2,869	4,492	3,140	1,647	1,642	2,292	1,970	2,471	2,490	2,575	1,725	1,941	1,365
less cash equivalent of oil allowance	1,046	1,261	1,544	1,095	667	645	709	520	584	333	364	149	231	181
Assessable profits after oil allowance	1,390	1,609	2,949	2,046	980	997	1,583	1,451	1,887	2,157	2,212	1,576	1,710	1,184
Assessable PRT before safeguard	695	804	1,474	1,023	490	498	791	725	943	1,078	1,106	788	855	592
reduction due to safeguard restriction	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Petroleum revenue tax payable	695	804	1,474	1,023	490	498	791	725	943	1,078	1,106	788	855	592
Memorandum item: Repayment of PRT from carry back of losses made in the period (4):														
Principal	20	70	17	11	17	34	9	37	60	99	87	157	121	0
Interest	3	5	5	3	1	1	1	2	5	10	11	13	12	0

Footnotes

(1) Fields given development approval after 16th March 1993, which are not liable to petroleum revenue tax, are excluded from this table.

(2) Royalties were abolished from 1 January 2003. The continuing deductions in the assessments relate to licence fees that companies still have to pay to DECC.

(3) Consisting of exploration and appraisal relief, cross-field allowance, research relief and relief for unrelieved abandoned field loss.

(4) Due to early publication of assessment data for the latest half year period, no repayments have yet been made as a result of losses carried back from this period. The repayments for this period will however be featured in the next publication.

Notes on the table (11.12)

Petroleum revenue tax assessments

1. Table 11.12 summarises the assessments of accruals of PRT liabilities so far made for each six month period, from the first half of 2007 to the second half of 2013. Estimated assessments, which may later be revised, are included. They may subsequently change following HMRC tax assessments and because tax relief for losses and decommissioning costs in subsequent years may be deductible against some profits that would otherwise be subject to PRT in these periods.

2. No PRT assessment on a field is made until production commences. At that stage all expenditure claimed by the companies during the preceding development is taken into account. In general, assessments may be delayed when there is no liability to tax; the table figures do not include allowance for such cases.

3. In the table, the deduction for expenditure is limited to the amounts in assessments required to reduce the assessable profit to nil. Field expenditure (both capital and operating) in the period is distinguished from expenditure claimed under the cross-field reliefs (mainly exploration and appraisal relief). Losses brought forward from earlier periods are not subdivided; they are predominantly from field expenditure, as it is usually inefficient to claim cross-field reliefs before they are effective.

4. As stated above, losses in a period (which are sometimes augmented by use of cross-field reliefs) may be carried back indefinitely to earlier periods to reduce liabilities, leading to tax repayments. In the main part of the table, these losses are attributed to the period to which they were carried back. A memorandum item gives for each period the PRT arising for repayment as a result of losses carried back from the period; it is split between repayments of principal and associated interest. There is thus no simple direct link between the amounts of PRT paid in each financial year and the amounts shown as payable for each reporting period.

Numbers of oil and gas fields with different Petroleum Revenue Tax liabilities - Table 11.13

Table information and briefing (for June 14 publication)

The table shows the numbers of fields assessed for petroleum revenue tax with gross profits of over £1 million in a six month chargeable period. The table includes the numbers of fields whose profits are covered by expenditure and allowances and those paying Petroleum Revenue Tax (PRT) at different levels.

Number of fields charged to PRT in 2013 H2

- Although there were 67 fields in 2013 H2 with gross PRT profits above £1 million more than half of them were not liable to PRT by virtue of having insufficient net profits after taking into account field expenditure, reliefs and allowances.
- Of the 29 fields paying PRT the 18 with the largest PRT liabilities over £10 million, accounted for the vast majority of tax liabilities at £566 million (around 95%) out of a total of £592 million.

Historical number of fields charged to PRT

- PRT only applies to fields given development consent before March 1993 and the number of fields with gross profits and other chargeable receipts of over £1 million in the chargeable period assessed for PRT has been generally declining, from 79 in the first half of 2007 to 67 in the second half of 2013 as fields are taken out of production.
- But the number of fields actually paying PRT after allowances and reliefs has remained more constant, averaging at around 30 fields over this period, as numbers of individual fields attracting PRT charges has been broadly consistent over the period. This is due to factors such as the general trend of rising oil prices since 2004 and oil allowances for particular fields being used up over time.

Changes to statistics in December 13 release

- Data for 2006 H2 has been dropped and data for 2013 H2 added to the table in this release.
- There are minor historical changes to 'Total PRT payable' in all periods except 2009 H1, in comparison with the December 2013 table publication, and the changes relate to field liabilities in both the under and over £10 million PRT paying brackets.

Table and supporting notes

T11.13

Numbers of oil and gas fields with different Petroleum Revenue Tax liabilities (1)

Fields with gross profits and other chargeable receipts of over £1 million in chargeable period

Numbers: actual; Amounts: £ million

Six month chargeable period ended	30 Jun 2007	31 Dec 2007	30 Jun 2008	31 Dec 2008	30 Jun 2009	31 Dec 2009	30 Jun 2010	31 Dec 2010	30 Jun 2011	31 Dec 2011	30 Jun 2012	31 Dec 2012	30 Jun 2013	31 Dec 2013
Number of fields not paying PRT														
All gross profits covered by expenditure/allowable losses	22	19	17	17	23	29	23	26	18	18	15	22	21	23
All assessable profits covered by oil allowance and safeguard	28	29	32	29	28	22	23	20	18	19	20	15	14	15
Total not paying PRT	50	48	49	46	51	51	46	46	36	37	35	37	35	38
Number of fields paying PRT														
Under £10 million	12	17	14	13	14	15	[illegible]	10	10	11	11	11	11	11
Over £10 million	17	17	20	16	13	10	16	19	22	22	23	20	18	18
Total paying PRT	29	34	34	29	27	25	30	29	32	33	34	31	29	29
Total number of fields assessed	79	82	83	75	78	76	76	75	68	70	69	68	64	67
Amount of PRT payable														
Under £10 million	34	50	44	49	44	46	42	38	28	34	56	38	22	26
Over £10 million	661	[illegible]	1,430	974	446	452	750	687	916	1,044	1,050	750	833	566
Total PRT payable	695	804	1,474	1,023	490	498	791	725	943	1,078	1,106	788	855	592

Footnotes

(1) Fields given development approval after 16th March 1993, which are not liable to petroleum revenue tax, are excluded from this table.

Notes on the table (11.13)

Numbers of oil and gas fields with different Petroleum Revenue Tax liabilities

1. Table 11.13 shows accruals of PRT liabilities for the periods shown. They may subsequently change following HMRC tax assessments and because tax relief for losses and decommissioning costs in subsequent years may be deductible against some profits that would otherwise be subject to PRT in these periods. In this table, the amount of tax for each field is the sum of the amount shown on the assessments for all the companies with an interest in the field. For the more recent periods, the numbers of fields with particular levels of liabilities will be revised as further assessments are made.

Section 3

Background Information

Methodology

Table 11.11 is updated from the latest receipts data held on HMRC accounting records and these figures are agreed as a definitive measure of receipts for the HMRC Financial Statements and Accounts. For corporation tax, the initial payment of a large percentage of instalments into the HMRC group payment accounts are recorded as ring fence UK oil and gas receipts, but these figures can be revised when the group payments are distributed between liabilities for participating companies. We are now asking companies to provide details of the proportion of their payments relating to non ring fence charges so our initial recording of receipts relating to exploration and production operations is more accurate, but there is still likely to be small adjustments when liabilities are finalised. The CT receipts are recorded using a link to the HMRC Corporation Tax system which holds all payment records. There is an ongoing reconciliation of PRT receipts with HMRC Finance department (as recommended by NAO) to ensure accuracy of recording.
Tables 11.12 and 11.13 data are downloaded from a system which records all PRT assessments raised by HMRC Large Business (LB) - oil & gas branch. This source is updated regularly by LB and includes the initial bulk issue assessments raised by LB in May and November and any subsequent amendments.

Statistical quality

The National Audit Office (NAO) undertakes a yearly audit of PRT and CT receipts to ensure accurate recording. Recording of PRT receipts by HMRC analytical department KAI is reconciled on a monthly basis with figures produced by HMRC's Finance department, as recommended by NAO.
The PRT assessment data for tables 11.12 and 11.13 is provided by LB which are then checked against HMRC accounting systems by KAI.
There is a quality assurance process in place for the output of all tables as the prepared outputs are checked by managers and signed off by senior officials before they are released.
The statistics are consistent with publications released by ONS, DECC and OBR.

User engagement

We are committed to providing impartial quality statistics that meet our users' needs. We encourage our users to engage with us so we can improve our official statistics and identify gaps in the statistics that we produce. If you would like to comment on these statistics or have any enquiries on the statistics please use the statistical contacts provided in this document.

Uses of the statistics

HMRC use these statistics to answer parliamentary questions and to inform policy decisions. Our users also use the statistics for media, research and forecasting purposes.

Abbreviations

HMRC	HM Revenue & Customs
KAI	Knowledge Analysis Intelligence (HMRC's analysis directorate)
LB	Large Business (HMRC directorate)
NAO	National Audit Office
OBR	Office for Budget Responsibility
DECC	Department of Energy and Climate Change
ONS	Office for National Statistics
PRT	Petroleum Revenue Tax
CT	Corporation Tax
RFCT	Ring Fence Corporation Tax
ACT	Advanced Corporation Tax

Glossary of terms

Ring fence	Term used for the boundaries within which the special tax regime for oil and gas exploration and production activity in the UK and UK continental shelf applies.
Royalties	Royalties were broadly levied at 12.5 % of the value of production, less some specific costs, for fields approved before 1st April 1982. Royalties were deductible from gross profits in arriving at profits chargeable to CT and PRT. Royalties were abolished from 1st January 2003. The continuing deductions in the PRT assessments relate to licence fees that companies still have to pay to DECC.
Cross field reliefs	PRT is a field based tax and these reliefs and allowances can be passed from one field to another in certain circumstances.
Safeguard restriction	Safeguard deduction is aimed at ensuring marginal fields remain profitable. It does this by restricting the amount of PRT payable by a company for their share in a field in a chargeable period if the effect of the PRT would be to reduce after-tax profit below a minimum return on investment in the field. Safeguard is only available for a limited number of periods, so this is why the restriction has decreased to nil in recent years.
Cash equivalent of Oil allowance	The oil allowance featured in table 11.12 is referred to in terms of cash equivalent as the allowance itself is calculated in terms of a free slice of production (in million tonnes), so the deduction in the table is the cash value of that free slice of production.
Development Approval	DECC approve and issue licences for companies to operate fields in the UK and UK continental shelf. More information

	about licences can be obtained from the DECC website: Department of Energy & Climate Change - GOV.UK
Advanced Corporation Tax	Component of Corporation Tax levied on dividend payments. ACT was abolished in 1999.

Useful links

Table 11.11 in excel and pdf formats available on GOV.UK website at:

Government revenues from UK oil and gas production - Publications - GOV.UK

Table 11.12 in excel and pdf formats available on GOV.UK website at:

Analysis of Petroleum Revenue Tax assessments - Publications - GOV.UK

Table 11.13 in excel and pdf formats available on GOV.UK website at:

Numbers of oil and gas fields with different Petroleum Revenue Tax liabilities - Publications - GOV.UK

DECC

Department of Energy & Climate Change - GOV.UK

UK Statistics Authority

www.statisticsauthority.gov.uk

Oil & Gas UK (Industry representative)

Oil & Gas UK - Home page