



Income Tax Return

Year ended 31 March 2011

Companies, Partnerships and Trusts

Every company, partnership and trust which carries on business in Lesotho must have a nominated officer for tax purposes. In this return, references to 'you' mean that nominated officer.

Liability to make a return

The law requires every company, partnership and trust to make a return of total income from all sources. A company must complete pages 3 and 6; a partnership - pages 8, 10, 12 and 14; and a trust pages 8, 10 and 12. In addition, a company and a trust is also required to calculate the tax due for the year of assessment (*see page 17*).

What you must do with this form

You must fill in the appropriate parts of this form, sign the declaration on page 18 and if tax is due send in your remittance. You must return this form to me, together with any documents asked for, **not later than 30 June 2011**.

There are penalties (including the possibility of imprisonment) if you fail to make a return within the period allowed.

How to complete the form

You need only fill in those sections which apply to you. When you have completed a section follow the directions on the form and accurately transfer the income figure to the relevant part of the tax calculation on page 16.

You start by completing the section at the foot of this page. Then, there are guidance notes for companies on pages 2 and 5, and for partnerships and trusts on pages 7, 9 and 11. Please read the notes before you start to complete the form. Express figures in Maloti.

Commissioner Taxpayer Services

Details of company, partnership or trust

Name

Postal address

TIN

Contact
Telephone No

Name and
designation of
nominated officer

Companies only

Notes for guidance

If there is insufficient space on the form, enclose a schedule to provide the information required.

Part A Business income

Show here the nature of your business or trade. And state your business address or location.

State the date to which you make up your business accounts if other than 31 March, and enclose a copy of the accounts (or financial statements). The financial statements will show the company's total profits for the accounting period. But you must also enclose your computation to show the adjusted profit for income tax purposes. And you must show the income on the return under the following headings

- business income
- property income
- any other income or gains.

You should distinguish, under each heading, Lesotho-source income (including foreign-source income **not** subject to foreign tax) from foreign-source income, on which a claim to foreign tax credit may arise.

A1 Business or trade (other than manufacturing and commercial farming) income

Show the total amount of the business profits (after making the adjustments detailed above), and deduct any unused losses brought forward. If the results for the accounting period produce a loss, show the amount of the loss in the appropriate box.

A2 Manufacturing and A3 commercial farming income

Show the total amount of such profits in the appropriate section and the allowable trading losses, **from this source**, brought forward. The resulting figure is the profit chargeable to income tax.

If there is an excess of losses unused these are carried forward to set against either manufacturing income or commercial farming income (as the case may be) of a later year of assessment. Show the total amount of these losses to carry forward in the appropriate box.

If you have both manufacturing income and commercial farming income, enclose a statement to show the details for each source.

A4 Foreign taxed business income

If the whole or part of the business income arises in a foreign country and the company has paid foreign tax, show the nature and location of the business, the amount of the foreign-taxed income and the amount of the foreign tax paid. The amount of the foreign tax credit is limited to the average rate of Lesotho tax. See page 15, 'How to claim credit for foreign tax paid'.

Total business income

Finally on this page, you should add together the amounts of the profits, or income, from non-manufacturing activities, manufacturing and foreign taxed income to arrive at the total Business income. Transfer this total figure to line A on page 16, the 'Self-assessment income tax calculation'.

Tax tip:

You need to keep all your records to substantiate your figures during a tax audit

Part A Business Income

Nature of business or trade

Business address or location

day month year

Accounting date

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A1 Business income (other than manufacturing etc and foreign taxed income)

A1.1: Total Company Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A1.2: Less: Expenses

a. Operation Exp / Cost of Sales / Direct Exp

b. General & Administrative Expense

c. Staff / Labour Costs

d. Interest Expense

e. Depreciation

f. Foreign Exchange Losses

g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A1.3: Net Company Profit (A1.1 - A1.2)

A2 Manufacturing income

A2.1: Total Company Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A2.2: Less: Expenses

a. Operation Exp / Cost of Sales / Direct Exp

b. General & Administrative Expense

c. Staff / Labour Costs

d. Interest Expense

e. Depreciation

f. Foreign Exchange Losses

g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A2.3: Net Company Profit (A2.1 - A2.2)

A3 Commercial farming income

A3.1 : Total Company Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A3.2 : Less: Expenses

- a. Operation Exp / Cost of Sales / Direct Exp
- b. General & Administrative Expense
- c. Staff / Labour Costs
- d. Interest Expense
- e. Depreciation
- f. Foreign Exchange Losses
- g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A3.3: Net Company Profit (A3.1 - A3.2)

A4 Foreign taxed business income

A4.1 : Total Company Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A4.2 : Less: Expenses

- a. Operation Exp / Cost of Sales / Direct Exp
- b. General & Administrative Expense
- c. Staff / Labour Costs
- d. Interest Expense
- e. Depreciation
- f. Foreign Exchange Losses
- g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A4.3: Net Company Profit (A4.1 - A4.2)

Total Business Income (A1.3+A2.3+A3.3+A4.3)

Transfer this amount to page 16

Companies only

Notes for guidance (continued)

Part B Property income

B1 Lesotho-source property income

If you receive rental income from letting land or buildings, show the address of each let property. (Where the property is situated overseas, show the income in Part B2.)

Where you receive interest or dividends, you must show the name of the bank or financial institution, or the name of the paying company or trust etc, and the gross amount you received. Where tax was deducted, enclose evidence of the tax deducted by the payer. Transfer the total tax deducted to the summary on page 15.

B2 Foreign-source property income

If you receive rental income from letting land or buildings situated outside Lesotho, show the address of each let property. Show the amount of rental income and the amount of foreign tax paid.

Give the source of any other property income, or the name and address of the payer, and show the gross amount of income and the amount of foreign tax paid.

If you are claiming credit for foreign tax paid on any foreign-source income which is subject to tax in Lesotho, you must enclose evidence of foreign tax paid. See *page 15* for details of how to claim foreign tax credit.

Total property income

Add together the total income shown in part B1 and B2 and transfer this figure to line B on page 16.

Part C Other income or gains

C1 Lesotho-source income or gains

You must include here any other income, profits or gains, not already included in this return, for example, royalties, trust income and other income or gains (including capital gains) chargeable to tax in Lesotho. In addition, you must include payments made directly or indirectly if they would have been your income if paid directly to you.

Show the gross amount of the income and the amount of tax deducted. You must provide evidence of tax deducted or withheld. Transfer the total tax deducted to the summary on page 15.

C2 Foreign-source income or gains

Show here any other income, profit or gains, for example, any royalties, trust income or other income or gains chargeable to tax in Lesotho but arising outside Lesotho. Show the gross amount of the income and the amount of any foreign tax paid.

If you are claiming credit for foreign tax paid on any foreign-source income which is subject to tax in Lesotho, you must enclose evidence of foreign tax paid. See *page 15* for details of how to claim foreign tax credit.

Total of any other income or gains

Add together the total income shown in part C1 and C2 and transfer this figure to line C on page 16.

Now turn to page 15

Part B Property income

B1 Lesotho-source property income

B1.1 Gross rents

B1.2 Less allowable deductions: Repairs & maintenance

Interest on loan

Insurance relating to property

Electricity , Water or Sewerage

Refuse disposal expenses

Security expenses

Others (Please specify:.....)

Total expenses

Transfer this figure to line B on page 16

B1.3 Rents chargeable for this year (B1.1-B1.2)

B2 Foreign-source property income

Source of income	Tax deducted	Gross amount
Total		

Foreign tax paid

See page 15 for relief for foreign tax paid

Total property income (B1.1 + B2)

Transfer this figure to line A1.1 on page 16

Part C Other income or gains

C1 Other Lesotho-source income or gains

Source of income or gain	Tax deducted	Gross amount
Total		

C2 Other foreign-source income or gains

Source of income or gain	Foreign tax paid	Gross amount
Total		

For tax credit see page 16

Total of all other income or gains (C1 + C2)

Transfer this figure to line C on page 16

Partnerships and trusts

Notes for guidance

If there is insufficient space on the form, enclose a schedule to give the information required.

Part A Business income

Show here the nature of your business or trade, and state your business address or location.

Enclose a copy of the partnership or trust accounts (or financial statements). The accounts will show the total profits for the accounting period. But you must also enclose your computation to show the adjusted profit for income tax purposes. And you must show the income on the return under the following headings

- business profits
- property income
- any other income or gains.

You should distinguish, under each heading, Lesotho-source income (including foreign-source income not subject to foreign tax) from foreign-source income on which a claim to foreign tax credit may arise.

Show the profit, or where there is more than one business the aggregate profit, after making the adjustments detailed above. Then deduct allowable trading losses brought forward.

The resulting figure is the profit chargeable to income tax. If the results show a loss for this accounting period, enter 'nil' in the amount chargeable box and show, in the appropriate box, the amount of the loss to carry forward.

If the partnership income includes manufacturing or commercial farming income, the losses brought forward or carried forward are only available for set off against income from the same source. If there is such income, enclose separate computations for each source.

Foreign taxed business income

If the whole or a part of the business income arises in a foreign country and the profits have been subject to foreign tax, show the nature and location of the business, the amount of foreign-taxed income and the amount of foreign tax paid.

See 'How to claim credit for foreign tax paid' on page 15.

Total business income

You must now show the total business income **from all sources**, that is, Lesotho-source and foreign-source business income as detailed above and on any supporting schedules.

Partnerships: transfer this total figure to line A of Part D on page 14.

Trusts: transfer this total figure to line A on page 16 - the self-assessment income tax calculation.

The notes for guidance continue on page 9

Tax tip:

Keeping proper records ensures you pay the right amount of tax

Part A Business income

A1 Lesotho-source business income

A1.1: Total Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A1.2: Less: Expenses

- a. Operation Exp / Cost of Sales / Direct Exp
- b. General & Administrative Expense
- c. Staff / Labour Costs
- d. Interest Expense
- e. Depreciation
- f. Foreign Exchange Losses
- g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A1.3: Net Profit (A1.1 - A1.2)

A2 Foreign-source business income

Nature and location of business

A2.1: Total Income

(Sales, Turnover, Investment, Interest, Premium, etc.)

A2.2: Less: Expenses

- a. Operation Exp / Cost of Sales / Direct Exp
- b. General & Administrative Expense
- c. Staff / Labour Costs
- d. Interest Expense
- e. Depreciation
- f. Foreign Exchange Losses
- g. Other cost / Expense

Total Expenses (a+b+c+d+e+f+g)

A2.3: Net Profit (A2.1 - A2.2)

A2.4: Total business income (A1.3 + A2.3)

Partnerships: transfer this total to line A on page 14
Trusts: transfer this total to line A1.1 on page 16

Partnerships and trusts

Notes for Guidance (*continued*)

Part B Property income

Property income may arise from various sources and you must distinguish these sources on your return. Section B1 covers rental income from land and buildings in Lesotho; Section B2 covers rental income from land and buildings outside Lesotho. Section B3 deals with income from dividends, interest etc arising in Lesotho. And Section B4 covers income from dividends, interest etc. arising outside Lesotho.

Section B1 Rental income from land and buildings situated in Lesotho

Show the address of all let property. You must include on your return the gross rents due for the year, allowable deductions and the net rent receivable. If, because the deductions exceed the gross rent, there is a loss for the year, the loss is to be carried forward and set against the rents of the following year of assessment. If in an earlier year there was an allowable loss, you may set the loss - to the extent not already allowed - against rental income for this year.

Section B2 Rental income from land and buildings situated outside Lesotho

Show the address of all let property situated outside Lesotho. If the rents have been subject to assessment and suffered foreign tax, you must show the amount of rental income assessed and the amount of foreign tax paid. You may claim a foreign tax credit in calculating your liability to income tax in Lesotho (*see page 15*). You must enclose evidence of foreign tax paid on the rents, for example, the receipt for the tax paid. If the rents have not been assessed in the country in which the property is situated, include a statement to show the gross rents due for the year, allowable deductions and the net rent assessable.

Section B3 Interest, royalties, trust income etc. arising in Lesotho

You must show the name of the bank or financial institution, or the name of the trust etc, and the gross amount of interest or other payment you received. Where tax was deducted, show the amount of tax paid and enclose evidence of the tax deducted by the payer. You must also declare details of all natural resource payments and the gains on investment assets. And if you are a non-resident, you must include details of any dividends you received. Transfer the total tax deducted to the summary on page 15.

Special arrangements apply to interest received from an account with a Lesotho-resident savings bank. If you are resident in Lesotho the first M500 interest you receive is exempt, provided you have nominated the account as the one to which the exemption applies. You may only nominate one account, and the exemption applies to only to that one account. Tax is deducted at source from the interest in excess of M500 and you do not need to return the interest.

Section B4 Dividends, interest, royalties etc. arising outside Lesotho

Show the name of the payer and the gross amount of income received. If you have paid foreign tax on this income you may claim a foreign tax credit in calculating your liability to income tax in Lesotho (*see page 15*). You must enclose evidence of foreign tax paid, for example, dividend warrant counterfoils or a certificate of tax deducted.

Total property income

Finally, total all the Property income and show the amount in the box provided. Partnerships transfer this figure to page 14; trusts transfer the total to line A1.1 on page 16.

Part B Property income

B1 Rental income from land and buildings situated inside Lesotho

B1.1 Gross rents	
B1.2 Less allowable deductions: Repairs & maintenance	
Interest on loan	
Insurance relating to property	
Electricity , Water or Sewerage	
Refuse disposal expenses	
Security expenses	
Others (Please specify)	
Total expenses <i>Transfer this figure to line B on page 16</i>	
B1.3 Rents chargeable for this year (B1.1-B1.2) .	

B2 Rental income from land and buildings situated outside Lesotho

Address of foreign property	
Foreign rental income chargeable to tax in Lesotho	M
Foreign tax paid	

B3 Income from interest, royalties, trust income etc arising in Lesotho

Name of payer		
	Total	M

B4 Income from dividends, interest etc arising outside Lesotho

Name of payer		
	Total	M

Total property income (B1.1 + B2 + B3 + B4)

*Partnerships enter this figure on line B, page 14
Trusts enter this figure to A1.1 on page 16*

Partnerships and trusts

Notes for guidance (*continued*)

Part C Other income or gains

C1 Lesotho-source income or gains

You must also include here any other income, profits or gains not already included in this return, for example, royalties, trust income and other income or gains chargeable to tax in Lesotho. In addition, you must include payments made directly or indirectly if they would have been your income if paid directly to you.

Show the gross amount of the income and the amount of any tax deducted. You must provide evidence of tax deducted or withheld.

If you are making this return on behalf of a trust, you should carry the total tax deducted to the summary on page 15.

C2 Foreign-source income or gains

Show here any other income, profits or gains, for example, any royalties, trust income and other income or gains chargeable to tax in Lesotho but arising outside Lesotho. Show the gross amount of the income and the amount of any foreign tax paid.

If you are claiming credit for foreign tax paid on any foreign-source income which is subject to tax in Lesotho, you must enclose evidence of foreign tax paid. See page 15 for details on how to claim foreign tax credit.

Total of any other income or gains

Add together the total income shown in part C1 and C2 and then

- partnerships - transfer this figure to line C on page 14

- trusts - transfer this figure to line A1.1 on page 16.

Part C Other income or gains

C1 Other Lesotho-source income or gains

Total		

C2 Other foreign-source income or gains

Total		M

Total of other income or gains (C1 + C2)

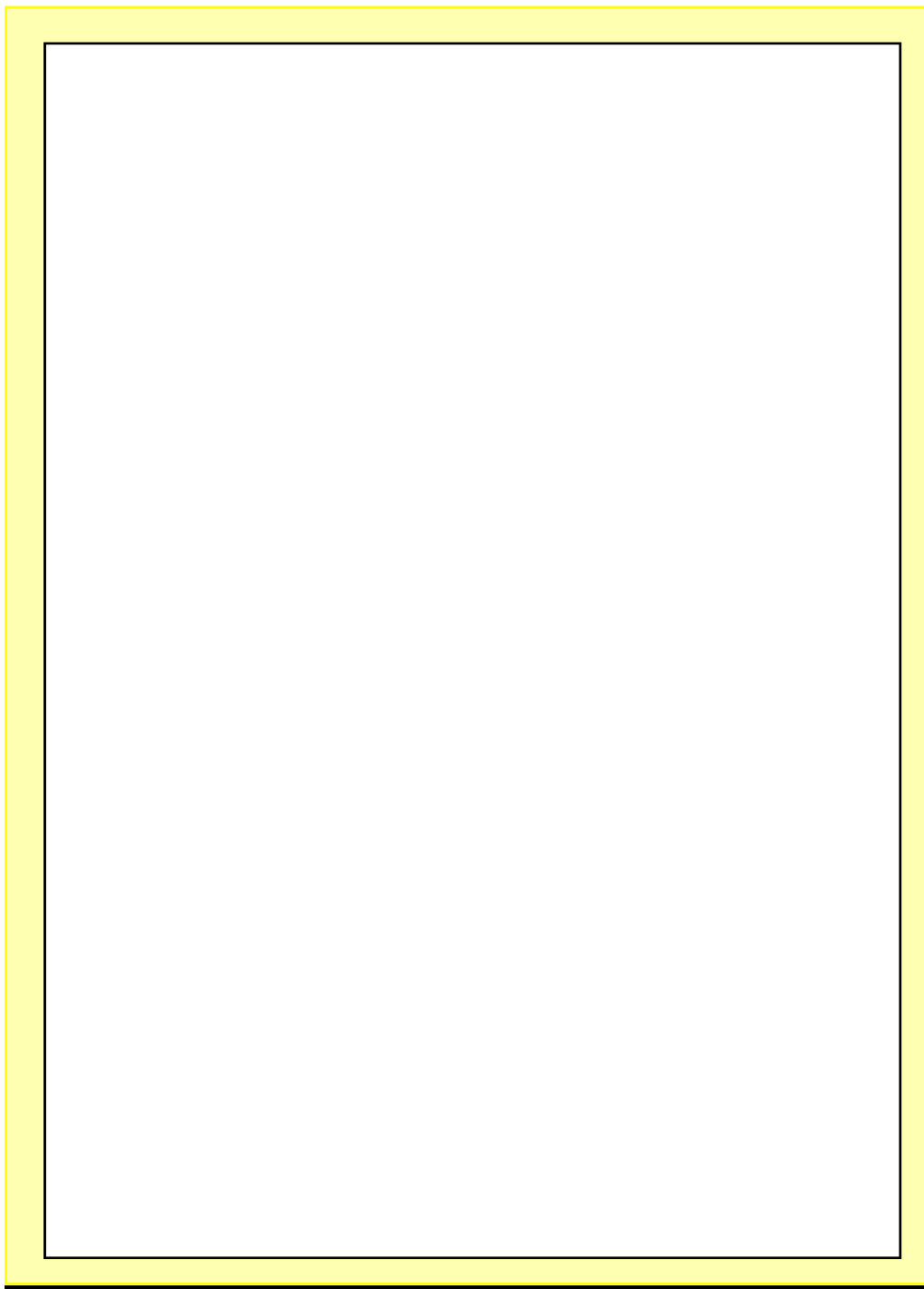
*Partnerships transfer this total to line C, page 14
Trusts transfer this total to line A1.1 on page 16*

Partnership allocation

Use the boxes provided on page 14 to show how the partnership profits are to be allocated between the partners and how the credits for taxes paid are to be shared. (But see *page 15* to calculate the amount of any foreign tax credit.)

If the allocations involve factors other than a simple percentage interest in the partnership income, use the space below to show how you have arrived at the allocation.

If there is insufficient space on page 14 to show the names of all the partners, attach a schedule to give the necessary information.



Companies and trusts
Calculation of chargeable income

**Self-assessment
income tax
calculation**

A1.1: Total Company or Trusts Income

(Sales, Turnover, investment, Interest, Premium, etc.)

Property Income - Company/Trusts *(enter total from page 6)*

Partnership *(enter total from page 10)*

A

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A1.2: Less: Expenses

a. Operation Exp / Cost of Sales / Direct Exp

b. General & Administrative Exp (A1+A2+A3+A4)

Property Expenses -Company/Trusts *(from page 6)*

Partnership *(from page 10)*

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c. Staff / Labour Costs (A1+A2+A3+A4)

d. Interest Expense (A1+A2+A3+A4)

e. Depreciation (A1+A2+A3+A4)

f. Foreign Exchange Losses (A1+A2+A3+A4)

g. Other cost / Expense (A1+A2+A3+A4)

Total Expenses (a+b+c+d+e+f+g)

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B

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C

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D

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A1.3 Total Company or Trusts Profit (A1.1 - A1.2)

A1.4 Add Back: Unallowable deductions

A1.5 Net Company or Trusts Profit

A1.6

Companies only {

Less losses of this accounting period **E**

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Losses brought forward **F**

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Line E + line F = line G

G

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H

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Transfer to line I on page 17

A1.7: Chargeable Income (A1.5 - A1.6)

Companies and trusts

Calculation of income tax due

**Self-assessment
income tax
calculation**

Companies

<u>Type Of income.</u>	<u>Amount of Income</u>	<u>Tax Rate</u>	<u>Tax Liability</u>
Commercial Farming income		10%	
Manufacturing income		0%	
Other Type of income		25%	
	Total I	Total	J

Trusts

Year of death and following year of assessment

Personal tax credit (5,000)	
Chargeable at 22%	
(Maximum M 40, 368.00)	
Balance chargeable at 35%	
All other years: total income chargeable at 35%	
Total (Trusts only)	K
Less Income Tax already Paid:	
a Withholding Tax	
b Taxes Paid Directly:	
Income tax on Business profits First installment	
Second installment	
Third installment	
c Credit for Foreign tax paid	
Total Income Tax Paid (a + b + c)	L
<i>(transfer this figure into box L)</i>	
Income Tax Outstanding (J - L) OR (K - L)	M
<i>(for companies) (for trusts)</i>	
Tax Overpaid (L - J) OR (L - K)	N
<i>(for companies) (for trusts)</i>	

Before you send your completed form to the Commissioner, you must sign the declaration below. If you give false information or conceal any part of your income or gains, you can be prosecuted.

Declaration

I, the nominated officer, declare that the information given on this form is correct and complete and is a full statement of the income and gains chargeable to income tax for the year ended 31 March 2011.

Signature	Date
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Location address of nominated officer.

If there has been a change of nominated officer during the year of assessment, show here the date of the change, and the name of the previous nominated officer.

<table border="1"><tr><td style="width: 5px; height: 20px;"> </td><td style="width: 5px; height: 20px;"> </td><td style="width: 5px; height: 20px;"> </td><td style="width: 5px; height: 20px;"> </td></tr></table>					

How to pay the tax due or claim a repayment

Further tax due

If your self-assessment calculation shows further tax is payable to settle your liability for the income tax year ended 31 March 2011, you should enclose your remittance with this form. You may pay by cheque or by banker's draft. **Do not send cash by post.** Cheques or banker's drafts should be made payable to 'The Commissioner Taxpayer Services' and sent, with your return, to The Commissioner Taxpayer Services, PO Box 1085, Maseru 100, Lesotho. If you bring your return to the Tax Advice Centre, Finance House, Maseru, you may also pay by cash.

There is a leaflet available, which explains more fully how you may pay your tax under self-assessment. This leaflet, *Paying tax under self-assessment IT103*, is now available from the Tax Advice Centre.

The tax is due for payment on the date your return is due. Interest is charged on tax paid late and a penalty may also be charged for late payment.

Tax overpaid

If your self-assessment calculation shows that you have overpaid tax you may claim a repayment. Your claim must be made within four years from the end of the income tax year to which it relates. If you wish to claim repayment now, you should complete the section below. Any repayment due is subject to the Department checking your calculations and will be subject to setoff against any other outstanding tax liabilities. If subsequently it transpires that your return was incorrect, penalties and interest will be chargeable on the amount repaid.

Repayment claim

I claim repayment of the tax overpaid for the year ended 31 March 2011.

Signature

Date