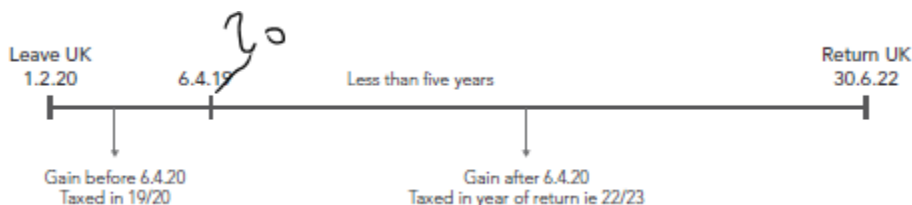


Workbook for exams in June 2021 - March 2022

Ch 9 Overseas personal taxation

Individuals who are temporarily non-UK resident, p196

In the diagram a date should be amended from 6.4.19 to 6.4.20 (see below)



Chapter 14 Sole traders

Illustration 1, p327

The notes from the profit and loss account have not been presented across the notes below. The references should be added as below:

3	Decoration of showroom		£	300
	New heating system			1,000
	Boiler maintenance fee			50
				<u>1,350</u>
4	Miscellaneous expenses are:		£	
	Political donation			100
	Gifts to customers of 20 table lanterns with Jack's logo			200
	Jack's private medical insurance premium			300
				<u>600</u>
5	Bad debts are:		£	£
	Trade debt written off			400
	Loan to employee written off			200
	General provision for bad debts	400		
	Less opening provision	<u>(200)</u>		<u>2000</u>
				<u>800</u>
6	Legal and professional expenses are:		£	
	Fees relating to acquisition of a new machine			100
	Fees for a speeding fine			50
	Accountancy fees			<u>500</u>
				<u>650</u>
7	Two charitable donations made: one of £10 to a local charity and one of £20 to Oxfam.			
8	Interest consists of £800 bank overdraft interest and £100 interest on overdue tax.			
9	Sundry expenses are:		£	
	Entertaining customers			400
	Staff party			250
	Subscription to trade association			340
	Speeding fine for Jack while on a delivery			120
	Other expenses (all allowable)			<u>1,000</u>
				<u>3,110</u>

Required

Skills Checkpoint 3 Corporate tax advice

Step 5 Write your answer, p320

In the second to last paragraph of the answer (above the Examining team's comments) the words 'Taper relief' have been omitted from the start of the paragraph. It should read:

'Taper relief' will be available to reduce this amount if Sabrina survives until at least 1 January 2025'

Chapter 25 Corporate tax planning

Identifying errors in computations, p589

The fourth bullet point should refer to PRR rather than PPR.

Further Question Practise

Q15 Robert p892

The calculation of the gain on the disposal of Bluesky is incorrect. The gain before PPR relief should be £125,000 not £75,000. This will give a revised PPR figure of £70,313 ($0.5625 \times £125,000$) and a gain after PPR of £54,687. Once the AEA is deducted the taxable gain will be £42,387 and CGT @18% will be £7,630 ($£42,387 \times 18\%$).