

Candidate Number

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Chartered
Institute of
Taxation
Excellence in Taxation

The Chartered Tax Adviser Examination

4 May 2017

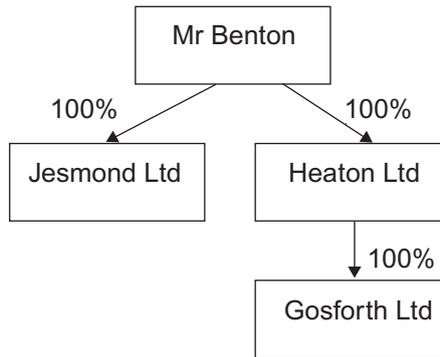
AWARENESS

Module C – Corporation Tax

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2. Mr Benton has the following shareholdings:



The companies' results are as follows:

	<u>Jesmond Ltd</u> £	<u>Heaton Ltd</u> £	<u>Gosforth Ltd</u> £
Year ended	31 Mar 2017	31 Mar 2017	31 Dec 2016
Trade profit/(loss)	(100,000)	64,000	(36,000)
Loan relationship credit	5,000	–	–
UK property business loss	–	(4,000)	–

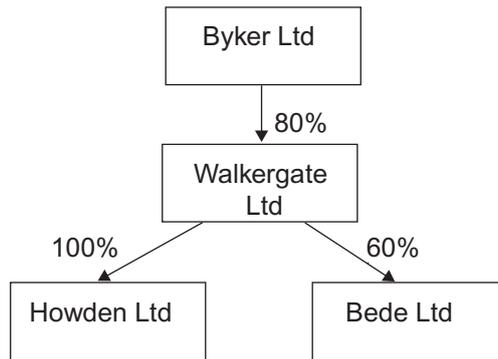
Calculate the taxable total profits for each company, assuming all beneficial claims and elections are made. State the amount(s) of any unrelieved trading losses.

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3. Byker Ltd has the following shareholdings:



During the year ended 31 March 2017:

- 1) Byker Ltd sold land and buildings previously used for the purposes of its trade for £400,000, realising a gain of £320,000.
- 2) Byker Ltd also sold investments in the share capital of listed companies for £800,000, realising a gain of £330,000.
- 3) Walkergate Ltd realised a capital loss of £18,000.
- 4) Howden Ltd acquired land and buildings for use in its trade, paying £300,000.

All transactions were with unconnected companies.

You are required to:

- 1) **Briefly explain which companies form part of Byker Ltd’s group for capital gains purposes.**
- 2) **Calculate Byker Ltd’s chargeable gains, assuming all beneficial claims and elections are made.**

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