Institution **CIOT - CTA**
Course **Adv Tech Taxation of Individuals**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID [redacted]

| Count(s) | Word(s) | Char(s) | Char(s) (WS) |
|---|---|---|---|
| Section 1 | **816** | **3625** | **4399** |
| Section 2 | **557** | **2482** | **3022** |
| Section 3 | **677** | **3431** | **3970** |
| Section 4 | **691** | **2923** | **3595** |
| Section 5 | **713** | **3165** | **3786** |
| Section 6 | **638** | **2967** | **3478** |
| Total | **4092** | **18593** | **22250** |

Answer-to-Question-_1_

Brian

Brian has invested in shares in a qualifying EIS and SEIS company therefore these shares may be subject to income tax relief on the investment. The conditions to qualify for EIS investment is that the individual must be not connected to the company. He holds 100% of the shares in the company and therefore will not qualify for EIS income tax relief and is also a director.

He will also not be able to claim SEIS tax relief as he is connected to the company also therefore there is no income tax relief that he can obtain on the subscription for the shares.

Base Cost

| Date | Event | Shares | Cost | |
|---|---|---|---|---|
| 1 June 2025 | Subscription | 50,000 | 50,000 | |
| 10 March 2026 | Subscription | 175,000 | 175,000 | |
| | | 225,000 | 225,000 | |
| | | | | |
| | | | | |
| | | | | |

As Brian has sold an asset in the January 2026 he will be able to claim either EIS or SEIS investment relief this applies on the sale of any asset as long as the shares are acquired within 12 months prior or 36 months after. The requirements for EIS are met as the connected reason does not apply however SEIS is not met as income tax relief must be obtained in order to be able to claim SEIS investment relief.

The EIS investment relief will apply on the lower of the gain, amount invested or a specified amount if the AEA can be preserved.

| | | | |
|---|---|---|---|
| Gain | 300,000 | | |

| | | | |
|---|---|---|---|
| Amount Invested | 175,000 | This is used | |
| Specified | Not necessary | | |
| | | | |
| | | | |

The amount invested is lower which is £175,000 therefore this part of the gain will be deferred and will only crytsallise on the sale of the shares, becoming non-uk resident within 3 years and shares no longer being eligible shares.

Therefore in January 2026 he will have a gain of the following:

| | | | |
|---|---|---|---|
| Gain | 300,000 | | |
| Deferred Gain EIS | (175,000) | | |
| AEA | (3,000) | | |
| Taxable Gain | 122,000 | | |
| | | | |
| Tax at 24% | 29,280 | Payable 31 January 2027 | |
| | | | |

Any subsequent disposals on the sale of the shares will qualify for BADR as he is a director and will own more than 5% of the share capital and voting rights as long as the conditions continue to be met and the lifeime limit is not used.

Lauren

Lauren has subscribed for the shares on 10 March 2026 and will hold 75,000 shares this will represent a 25% share of the company for a cost of £75,000. This will qualify for both EIS income tax relief and SEIS income tax relief as she is not an employee or director nor connected to the company.

SEIS can be claimed and this will mean that she will obtain a income tax relief of 50% of the amount invetsed as this is below the maximum of £200k. Therefore this will result in a income tax saving of £37,500, this cannot create a repayment. This could alternatively be claimed in the previous tax year. However if SEIS investment relief is to be obtained the income tax releif must be obtained in the same year as the asset being sold therefore it is beneficial to claim this in 2025/26. SEIS investment relief is available at 50% of the lower on the gain, amount invested and claimed income tax relief and a specified amount.

| | | | |
|---|---|---|---|
| Gain | 80,000 | | |
| Amount claimed IT relief | 75,000 | 50% of this | |

| | | | |
|---|---|---|---|
| Specified | Not necessary | | |
| | | | |

This gain will be exempted as long as the shares are held for more than 3 years and this will never come back into charge.

The gain on the sale of the properties will still be subjet to UK CGT despite becoming non-uk resident this is as the value of the business is derived from the value of land and she owns more than 25% of the shares. The value will be based on the value at April 2019. The shares will be taxable based on the company being property rich and therefore subject to UK CGT.

| | | | |
|---|---|---|---|
| Proceeds | 370,000 | Value on 1 March 2026 | |
| Cost | (290,000) | Value on April 2019 | |
| Gain | 80,000 | | |
| SEIS Investment relief | (37,500) | | |
| AEA | (3,000) | UK national | |
| Taxable Gain | 39,500 | | |
| | | | |
| Tax 24% | 9,480 | | |
| | | | |

No BADR as this is an investment company.

This will need declaring on a property return within 60 days and paid if this is not done interest and penalties will apply.

If Lauren returns to the UK she may also be caught by temporary non-residence rules as she was UK resident for 4 out of the 7 previous tax years before leaving and will return with 5 years. If this is the case the gain will need to be recalculated in th eyear of return being 2028/29 and the full amount will come into charge being the proceeds less cost of shares.

| | | | |
|---|---|---|---|
| Proceeds | 370,000 | | |
| Cost | (80,000) | Remaining cost | |
| AEA | (3,000) | | |
| Taxable Gain | 287,000 | | |

If taxed at 24% this will be £68,880. Any of the tax paid on the previous disposal which is £9,480 will be able o offset against this liabiliyt ot reduce the tax payable down to

£59,400.

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----------ANSWER-1-ABOVE----------
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----------ANSWER-2-BELOW----------
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Answer-to-Question-_2_

This is an enquiry into his tax return by HMRC which has taken place outside the normal enquiry periods as this is 12 months from the date of submission. HMRC however can do this where they deem that not enough evidence had been supplied where they could reasonably make an informed decision on the property, the fact that he only provided limited comments in the information section suggests that this was not sufficient.

Kelly should provide HMRC with any information that is requested and comply with all requests as this can be taken into consideration when they assess the penalty that will be given to the taxpayer. This will count as a prompted disclosure for penalty purposes. This is likely to be considered a careless mistake by the taxpayer as it does not appear deliberate but if this is the case this should be informed to HMRC.

The normal rules for PRR is that it is available for the main residence, any properties in close curtilage of which the garage will apply to along with half a hectare of land plus any amount that is needed for reasonable enjoyment of the property. The actaul occupation and deemed occupation needs to be considered on this to assess how much of the gain would have qulaified for PRR. PRR can be claimed for any period of actual occupation, any period of time where the individual is required to work overseas, 4 years due to working elsewhere in the UK and 3 years for any reason, these must begin and follow with actual occupation. The last 9 months is also deemed occupation as long as the property has been lived in at some point.

In Kelly scenario the period between 1999 and June 2011 he lived in the property so this is occupied. The period working overseas will be deemed occupation as he returned to the property after. He then lived in the property for the whole time from ths date and therefore the whole period will have actual/deemed occupation.

However the issue arises on the land that is used by the neighbour, this is unlikely to be treated as part of the property as it is outside the closed off area and is not being used for the enjoyment of the property and is used by the neighbour. Therefore this part of the property will not qualify for PRR if rent has been charged this would further this argument and would definitely not qualify for PRR, a just and reasonable apportionment will need to be considered on this to assess how much of the property is this and how much is the main residence. A potential way to do this would be to base it on the land area. This would mean that the 1/3 of a hectare for the main residence is fully covered by PRR and the 1/4 of a hectare of land is not covered by PRR.

| | | | |
|---|---|---|---|
| Gain | 210,000 | | |
| PRR | (122,500) | 7/12 of the property is the main residence | |
| AEA | (3,000) | If this is available | |
| Taxable Gain | 84,500 | | |
| | | | |
| | | | |
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The gain of £84,500 would then be taxable and the gain will be taxed at 18 or 24% depending on his taxable income and basic rate band being available.

This will need to be paid within 30 days of the agreement with HMRC or penalties will be charged.

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----------ANSWER-2-ABOVE----------
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----------ANSWER-3-BELOW----------
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Answer-to-Question-_3_

Income Tax

| | NSI | SI | DI | Termination | |
|---|---|---|---|---|---|
| Employment Income W1 | 172,875 | | | | |
| Termination Payment W4 | 95,000 | | | 23,600 | |
| Rent of Parking Space | 0 | | | | |
| Less PA | | | | | Fully abated |
| Taxable Income | 267,875 | | | 23,600 | |
| | | | | | |
| | Amount | Rate | Tax | | |
| NSI | 37,700 | 20% | 7,540 | | |
| NSI | 87,440 | 40% | 34,976 | | |
| NSI | 142,735 | 45% | 64,231 | | |
| Termination | 23,600 | 45% | 10,620 | | |
| | | | | | |
| | | | 117,367 | | |
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Tax payable 31 January 2027.

The rent of a parking space can claim property allowance which wil make the gain zero as income is below £1,000 or can claim the full cost which is £1,200 this will create a loss of £240 that will be carried forward against future property gains.

W1 Employment Income

| | | | |
|---|---|---|---|
| Salary | 105,000 | Salary is taxable only for 7 months | |
| Car Benefit W2 | 875 | | |
| Interest Free Loan | 0 | Notes below | |
| Restricted Securities W3 | 67,000 | | |
| Bonus | 0 | Notes below | |
| | | | |
| Income | 172,875 | | |
| | | | |
| | | | |

There is no taxable benefit on the loan as the funds are used for a qualifying purpose which is to buy shares in an unquoted personal trading company.

The bonus for directors is taxed on the earlier of the date cash received, date of entitlement,date credited to the accounts and the date it was determined if this is after the company year end this date is used. The earliest date is the 10 March 2025 and therefore this would have been taxed in 2024/25 and is not taxable in 2025/26.

W2 Car Benefit

| | | | |
|---|---|---|---|
| List Price | 55,000 | | |
| Contribution | (5,000) | | |
| Revised List Price | 50,000 | | |
| | | | |
| CO2 % | 3% | | |
| | | | |
| Benefit | 875 | Only for 7 months 1,500*7/12 | |
| | | | |

Capital contributions are limited to £5,000 and therefore this amount is deducted from the list price

W3 Restricted Securities

These are employment related securities and therfeore will be chargeable to income tax.

These shares are subject to forfeiture but this is after 5 years so the default position and no election was made so the restricted market value would have been taxed on the acquisition. The amount compared to the unrestricted market value is therefore not taxed and this percentage is then taxed on the lifting of the restriction.

| | | | |
|---|---|---|---|
| Restricted MV | £30 | | |
| Unrestricted MV | £90 | | |
| % Untaxed | 66.67% | | |
| | | | |
| Unrestricted MV at lifting date | £100 | | |
| | | | |
| Untaxed amount per share | £67 | | |
| | | | |
| Income Tax Charge | £67,000 | | |
| | | | |

W4 Termination Payment

Termination provision are considered when the income does not fall under any other tax treatment, any contractual payments will be fully taxable and then unless the payments are exempt them fall under the termination rules which allows £30,000 to be exempted from income tax with the remainder being taxed as the top slice of income.

| | Fully Taxable | Termination Provision | Exempt | |
|---|---|---|---|---|
| Statutory Redundancy | | 8,600 | | |
| Non - contractual | | 20,000 | | |
| PILON | 45,000 | | | |
| Company Car | | 25,000 | | |
| Restrictive covenant | 20,000 | | | |
| Write off Loan | 30,000 | | | |

| | | | | |
|---|---|---|---|---|
| Pension | | | 25,000 | |
| Exempt amount | | (30,000) | | |
| Total | 95,000 | 23,600 | 25,000 | |
| | | | | |
| | | | | |

Statutory redundancy is exempt but will reduce the availabiity of the £30,000 exemption so included in termination provision line..

Non contractual amounts are treated under termination provisions.

PILON is contractual so fully taxable

Company car is provided at Market value under the termination provisions.

Restrictive covenants are fully taxable

The loan was acquired by way of his employment this is deemed a taxable payment as earnings

Pension contributions are exempt benefits but the annual allowance charge needs to be considered.

Annual Allowance

| | | | |
|---|---|---|---|
| Threshold Income | 291,475 | Exceeds £200k | |
| Adjusted Income | 316,475 | Exceeds £260k | |
| | | | |
| Excess income above £260k | 56,475 | | |
| | | | |
| Annual Allowance | 60,000 | | |
| Abatement | (28,237) | | |
| Allowance | 31,763 | | |
| | | | |

Pension contributions are below the allowance so no annual allowance charge.

National Insurance

As he is a director of Macrodrive he will be calculated on an annual earnings basis onthe year of leaving as a director the earnings period does not get shortened so the full amount is allowed.

| | | | |
|---|---|---|---|
| Salary | 105,000 | Class 1 NIC | |
| Car Benefit | 0 | Subject to class 1A not Class 1 | |
| Securities | 0 | Not readily convertible as unlisted and no trading arrangements so no NIC are payable. | |
| Bonus | 0 | Taxed in prior year | |
| Taxable Termination | 95,000 | Class 1 NIC | |
| Termination Povision Income | 0 | Not subject to Class 1 NIC it is Class 1A instead. | |
| Earings for Class 1 NIC | 200,000 | | |
| | | | |
| | | | |
| | | | |
| First 12,570 0% | 0 | | |
| Next 37,700 8% | 3,016 | | |
| Rest 2% | 2,995 | | |
| | | | |
| Total NIC | 6,011 | | |

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----------ANSWER-3-ABOVE----------
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----------ANSWER-4-BELOW----------
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Answer-to-Question-_4_

Eduardo

Eduardo is a UK resident therefore he will be taxed on worldwide income and gains this will include any income from his US investment portfolio. Any foreign tax that is incurred on these will be able to claim double tax relief on the lower of foreign tax suffered adn UK tax suffered on these income.

If the investment was sold he would be taxed on the gain in the UK by deducting the original base costs, he would be able to claim the AEA on this gain and income would be payable at the accoridng rate of 18 or 24% based on his level of income.

Any income that has been earnt from the 2017/18 can be remitted to the UK with no tax consequences as this has all been taxed fully in the UK. Any income pre 2016/17 will be taxed stil when remitted to the UK as the remittance basis was claimed. This would be taxed as non savings income.

Diana

Diana is now a UK resident and therefore will be taxed on worldwide income and gains in 2025/26.

As she has recently move to the UK the FIG regime may apply, she was not resident in the UK for any of the 10 tax years previously and therfeore she will become a newly qualifying resident this means she will be able to claim FIG relief in the frst 4 tax years of residency including the split year therefore the last year to claim will be 2026/27 these must be claimed on a slef assessment return by 31st January on the anniversary of the filing date so 31 January 2028 for 2025/26. If this is claimed she will able to exempt any overseas gains or losses but will lose any personal allowance, annual exempt amount and overseas property losses.

If FIG is claimed no double tax relief is available on the foreign income, the income and gains must still be declared but a deduction for FIG is shown on the tax return.

Also as she was a remittance basis user in the previous years she will be eligible for the TRF scheme, this is to encourage individuals who previously used the remittance basis to

bring funds to the UK. If funds that were not taxed previousl are bought to the UK they are taxed as non savings income on the date they are brought to the UK. The remitted income is taxed on a LIFO basis so any income that was taxed under FIG can be brought free of chare which will be the first portin and extra is then from the remittance period and will be taxed accordingly prioritising income over gains for each tax year first.

The TRF can be claimed so that funds are designated and will be taxed at 12% in 2025/26, 2026/27 and 15% in 2027/28 at which point the scheme stops. This means that the income can then be bought into the UK at a later date tax free. This is a separate tax charge and will not be included in the income for the year. This will be relevant for the Chile rental income from the 2023/24 and 2024/25 tax year.

On the sale of the Chile property the rebasing of assets will apply this is because she held the asset on 5 April 2017, the disposal is made after the 6 April 2025, the asset was not situated in the UK at any time, they were not domiciled in the UK for a tax year prior to 2025/26 and they made a claim for remittance basis between 2017/18 and 2024/25. Therefore the asset is rebased to the 5 April 2017 value instead of the base cost which would have been the probate value of the property.

| | | | | |
|---|---|---|---|---|
| Proceeds | 410,000 | | | |
| Value at 5 April 2017 | (300,000) | | | |
| Gain | 110,000 | | | |
| | | | | |
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The annual exempt amount may be availablke in this future tax year also and the gain will be taxed at 18 or 24% depending on the basic rate band available.

An election can be made to calculate the gain on costs but this is not appropriate as this would result in a larger gain.

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----------ANSWER-4-ABOVE----------

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----------ANSWER-5-BELOW----------
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Answer-to-Question-_5_

Base Cost of the Small Ltd Shares

| Date | Event | Shares | Cost | |
|---|---|---|---|---|
| 20 April 1985 | Subscription | 50,000 | 50,000 | Based on amount paid |
| 12 September 1990 | Rights Issue | 10,000 | 20,000 | Received aditional shares based on existing holding |
| 10 January 1995 | Reorganisation | 8,000 | 25,000 | Note below |
| 10 March 2010 | Sale of Rights | | (10,000) | Note below |
| | | | | |
| Total | | 68,000 | 85,000 | |
| | | | | |
| | | | | |

The share for share exchange rules appy for the exchnage of ordinary shares from preference shares therefore the base cost rolls over being the £25,000 paid for the shares.

On the sale of the rights we need to conisder if they are small or not if they are below £3,000 or 5% of the share market value they can be considered small, the amount received equated to 2.5% of the market value so therefore these can be deemed as small and the proceeds are deducted from the base cost and no part disposal is necessary this is the automatic treatment the election can be done to make them chargeable but this was not completed.

On the takeover there is a variety of consideration that is received and the market value of each consideration is to be calculated and the base costs of the shares allocated accordingly. As the takeover took place in the 2024/25 tax year an amended tax return can be submitted for this tax year up until the 31 January 2027. This is also the date for claimng BADR therefore this can still be claimed on the takeover.

| Consideration | Market Value | Base Cost | |
|---|---|---|---|
| Big plc Shares | 680,000 | 53,125 | |

| | | | |
|---|---|---|---|
| Cash | 340,000 | 26,563 | |
| QCB | 68,000 | 5,312 | |
| | | | |
| | 1,088,000 | 85,000 | |
| | | | |

The default position of the above consideration is that the cash becomes immediately chargeable to CGT, the share for share exchnage rules apply to the new shares which will mean the old base cost is rolled over against the new shares and the QCB the gain is calculated on the and then frozen until the date the QCB is sold.

The cash will be able to claim BADR on the disposal as she owns more than 5% of the share capital and voting rights and is a director for at least 2 years prior to the sale. Therefore this will mean that this is taxed at 10% in 2024/25.

An election can be made to disapply the share for share exchange rules this will mean that the gain becomes taxable immediately and the bae cost becomes the market value of the shares at the takeover. This is beneficial where a BADr claim can be made on the shares as this would not be available on the Big plc shares as this is a quoted company. Therefore this will be benficial as she will be able to use more of her BADR limit and be taxed at a lower rate.

The QCB are an exempt asset for CGT purposes so therefore any gain on these from the date acquired is not subject to CGT but also a similar election can be made on these shares so that BADR can be claimed immediately as no BADR or investors relief will be available as she does not work for the new company and it is a listed company.

BADR is limited to £1m and uses up the basic rate first so any excess wil be taxed at 24% in 2024/25. The total gain is £1m so this is all subject to BADR and no BADR will be available for future disposals.

2024/25 Capital Gains - Submit on an amended return by 31 January 2027

| | Cash | Shares | QCB | |
|---|---|---|---|---|
| Proceeds | 340,000 | 680,000 | 68,000 | |
| Cost | (26,563) | (53,125) | (5,312) | |
| AEA | | | (3,000) | |
| Taxable Gain | 313,437 | 626,875 | 59,688 | |
| | | | | |
| Tax at 10% | 31,344 | 62,687 | 5,969 | |

| | | | | |
|---|---|---|---|---|
| Total Tax | 100,000 | | | |
| | | | | |

This tax will be payable immediately after the submission of the amended return.

2025/26 Capital Gains

As the election was made to disapply any share for share exchange rules the base cost will now be the market value of the shares acquired.

The QCB will now also not incur any release of a frozen gain and therefore the gain on this is £7,000 which will not be taxable and no other tax is brought into charge.

| | | | |
|---|---|---|---|
| Proceeds | 1,000,000 | | |
| Cost | (680,000) | | |
| AEA | (3,000) | | |
| Taxable Gain | 317,000 | | |
| | | | |
| Tax at 18% | 6,786 | First 37,700 | |
| Tax at 24% | 67,032 | | |
| | | | |
| Total Tax | 73,818 | Payable 31 January 2027 | |
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----------ANSWER-5-ABOVE----------
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----------ANSWER-6-BELOW----------
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Answer-to-Question-_6_

| | NSI | SI | DI | | |
|---|---|---|---|---|---|
| Bank Interest | | 2,312 | | | |
| Mocha Ltd Interest N1 | | 50,000 | | £40,000*100/80 | |
| Salary | 5,815 | | | | |
| Company Party N2 | 185 | | | | |
| Birthday Lunch | 0 | | | Trivial as below £50 | |
| Dividend | | | 500 | | |
| Rental on residential | 8,708 | | | | |
| Rental on furnished lets N3 | 11,166 | | | | |
| Apartment N4 | 405 | | | | |
| Less PA | (12,570) | | | | |
| Taxable Income | 13,709 | 52,312 | 500 | | |
| | | | | | |
| | Amount | Rate | Tax | | |
| NSI - Starter Rate | 2,827 | 19% | 537 | | |
| NSI - Basic Rate | 10,882 | 20% | 2,176 | | |
| SI - Allowance | 500 | 0% | 0 | | |
| SI - Basic Rate | 25,429 | 20% | 5,086 | | |
| SI - Higher Rate | 26,383 | 40% | 10,553 | | |
| DI - Allowance | 500 | 0% | 0 | | |
| | | | 18,352 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | (1,479) | Finance costs | |
| | | | (10,000) | Tax on Interest | |
| | | | 6,873 | Total Tax Liability payable 31 January 2027 | |

Nicole is a Scottish Taxpayer so the scottish NSI rates will be used.

N1 - The Mocha Interest will be paid net of 20% tax as payment of interest from a close company to an individual the tax already paid is deducted at the end.

N2 - The party exceeds the £150 limit per person and therefore the full amount is charged to income tax.

N3 - Furnished Lets

As they are married the default positionon rental income is to treat the profit as split 50/50 and ignore any actual ownership unless an election is made. The fact thjat Nicole has had 100% of the profits in previous year means an election must have been made and therefore this will continue to be 100% Nicole. Total rent is below £150k so the cash basis is the default the accrual basis can be elected but this is not necessary.

| | | | |
|---|---|---|---|
| Rental Income | 44,640 | Income | |
| Utility Bills | (19,752) | Allowable cost | |
| Insurance | (1,680) | | |
| Broadband | (744) | | |
| Replacement | (904) | Replacement domestic items are allowable expenses | |
| Interest | 0 | | |
| Mileage | (1,573) | 45p * 3,496 | |
| Capital Allowances | (1,840) | Can continue to be claimed on furnished lets at 18% | |
| Income | 18,147 | | |
| Less losses b/fwd | (6,981) | | |
| Net Income | 11,166 | | |
| | | | |

The interest on residential rpoperties is not deducted against the income and instead a tax reducer is claimed on the lower of finance costs, property icnome less losses b/g and adjusted total income. This is allowed at 20% of the amount.

| | | | |
|---|---|---|---|
| Finance Costs | 7,394 | This at 20% is £1,479 | No c/f of finance costs |
| Rental Income | 11,166 | | |
| Adjusted Total | 13,709 | | |

| | | | |
|---|---|---|---|
| Income | | | |
| | | | |

N4 - Apartment

This is the grant of a short lease from a short lease and therefore there is a charge to income tax on a proportion of the premoium that has been charged. As the new rent is lower their is no notional premium impact.

No rent is received in the year so no other income other than the premium is to be recognised.

| | | | |
|---|---|---|---|
| Full Premium | 5,000 | | |
| Cost | (5,404) | =10,500*(40.338-12.962)/53.191 | |
| Loss | (404) | | |
| | | | |
| Income Tax Element | 4,500 | =5,000*(51-6)/50 | |
| deduct landlords income tax | (4,095) | =10,500*(51-12)/50*6/12 | |
| Income Tax | 405 | | |
| | | | |
| | | | |
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| | | | |
| | | | |

The cost is apportioned based on the years of the new lease compared to the lead lease.

| | | | |
|---|---|---|---|
| Head Lease % 12 Years | 53.191 | | |
| | | | |
| Years at Start of New Lease % 8 Years and 3 months remaining | 40.338 | =(43.154-39.399)*3/12+39.399 | 8 Years is 39.399 and 9 years is 43.154 |

| | | | |
|---|---|---|---|
| Years at End of New Lease % 2 Years and 3 months remaining | 12.962 | =(16.959-11.629)*3/12+11.629 | 2 Years is 11.629 and 3 years is 16.959 |
| | | | |

N5 - Bands

The gift made to charity of the wildlife is still fully allowable as the benefit received is below £100 and therefore the £550 cane still be used as the gift aid amount.

The donation made in May 2026 can be carried back into the current year as it was made before the self assessment return was submitted.

The scottish starter rate is not impacted by the extension of the bands, the NSI income is also below the normal basic rate so the extension will not make any difference to the scottish rates.

The normal basic rate band for SI and DI though will need to be extended.

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|---|---|---|---|
| Basic Rate | 39,638 | =37700+(1550*100/80) | |
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