

Institution **CIOT - CTA**
Course **Awareness**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID

Count (s)	Word (s)	Char (s)	Char (s) (WS)
Section 25	153	674	814
Section 26	99	458	500
Section 27	128	603	731
Section 28	60	365	394
Section 29	29	161	173
Section 30	125	417	490
Section 31	111	528	637
Section 32	148	645	806
Section 33	0	0	0
Section 34	42	256	282
Section 35	32	127	159
Section 36	95	378	472

-----ANSWER-25-BELOW-----

Answer-to-Question- _25_

Adjusted trading Profit		220,000
Add:		
Legal Fees on renewal of Lease	12,000	
Fine for breach of GDPR Regulation	20,000	
Christmas party (20*10)	200	
Trading Profit		252,0000

Cost of Christmas Party

The cost of Christmas Party is allowed as it is a staff entertainment. However, the per person cost is more than £150. rest of them will be disallowed and will be added back to profit.

Legal Fees

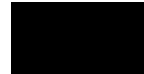
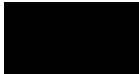
Legal fees on renewal of long lease is not allowed. Only short lease is allowed.

Cost of repairing roof

Cost of repairing roof is allowed in order to make it usable for the trade.

Interest on loan taken out to buy shop

Interest is allowed as it is taken out for a trade. if it was for any other reason it would go in non-trading LR and will be added back to profit.



Fine for breach of GDPR.
Fines or penaltaties are not allowed for releif.

-----ANSWER-25-ABOVE-----

-----ANSWER-26-BELOW-----

Answer-to-Question- _26_

	FYA 100%	AIA	Main Pool	Special Pool	CA
AP - 1st October 2023 - 30th September 2024					
WDV b/f			1,100	990,000	
Disposals:					
Car Co2 44g/km			750		
			350	990,000	
Small pool limit			350		350
WDV @ 6%				59,400	59,400
Balance C/f			0	930,600	
Total CA					59,750
AP - 1st October 2024 - 31st Dec 24	FYA 50%	AIA	Main Pool	Special Pool	CA
WDV B/f				930,600	
Additions:					
Lift	475, 000	250,00 0		475,000	
	475, 000	250,00 0		1,450,600	
AIA		250,00 0			250,000
FYA 50%	475, 000				475,000
WDV @ 6% (3/12)				21,084	21,084
Total CA					746,084
Scaled back AIA limit					
AIA	1,00 0,000				
Avaiialble limit (1,000,000*3/12)	250, 000				



-----ANSWER-26-ABOVE-----

-----ANSWER-27-BELOW-----

Answer-to-Question- 27

There is no relief available on the purchase of Land, Architech's fees and Planning permission They cannot be claimed SBA as it is not a qualifying expenditure.

The cost of construction of warehouse can claim SBA on straight line at 3%. If the warehouse ceases to be used in the business it will fall in disuse. however business can still claim on the remainig period.

Electrical and Water system.

THis is integral feature. AIA can be claimed however if there is no AIA limit available. FYA 50% can be claimed whre 50% of will be allowed and the rest of the epxesnses will be entered in SPeacial pool rate where 6% can be claimed.

This will require time apporitmment for long or short period. FYA doens't require appotionement.

-----ANSWER-27-ABOVE-----

-----ANSWER-28-BELOW-----

Answer-to-Question- _28_

	UK Commercial Propeorty	UK Residential Propeorty	Overseas Commercial Proeorty
Income	150,000	24,000	82,000
Less: Expenses			
Interest (Trading Interest is allowed)	22,000	12,000	
Maintenace cost	5,000	7,000	6,000
Total	123,000	5,000	76,000
	UK Income (Pooled)	Overseas Income	
Income	123,000	76,000	
Less: Loss carried forward	8,000	10,000	
Total Property Busines Income	115,000	66,000	
Cannot Mix and Match UK and Overseas proeorty			



-----ANSWER-28-ABOVE-----

Answer-to-Question- 29

[illegible]

-----ANSWER-29-ABOVE-----

-----ANSWER-30-BELOW-----

Answer-to-Question- _30_

	Y/e June 2023	9m/e march 24	Y/e Mar 25	Y/e Mar 26
	£ Mil	£ Mil	£ Mil	£ Mil
Trading Profit	15	9	0	11
Capital Gain	1	0	2	1
Total	16	9	2	12
Less: CY Claim			2	
Less: PY Claim (9 Motnhs)		9		
Less: PY Claim 3 months	4			
Less: Carry forward to Trading Profit				9
	12	0	0	3
Less: Capital loss Carry foward				1
Balance	12	0	0	2
Loss Memo		Capital Loss		
Loss for y/e Mar 25	24	Loss for March 24	1.5	
Less: CY Claim	2	Less: Carry forward Claim	1	
Less:Py Claim		Remaing Carried forward	0.5	
- 9m/e march 24	9			
- 3 months for June 2023	4			
	9			
Less: Carry Forward	9			



Balance	0			

-----ANSWER-30-ABOVE-----

-----ANSWER-31-BELOW-----

Answer-to-Question- _31_

Pycelle Ltd:

Pycelle limited can surrender all of it's Trading Loss and NTLR deficit to the Group Releid.

Arrinne LTD:

Arrinne LRD cannot surrender Proerty Loss to group releif as it is not in excess. it will be set of agianst the Trading Income in the current years.

Also, Arrinne LTD cannot surrender Qualifying Charitable donations as it is not in excesss.

Rickonn LTD.

Rickong limited can surrender chargeble gain to Arrinnet LTD and Pycellle LTD as they are in capital Grup. the direct holding should be 75% and indirect holding should be 50%.

All the loss will be subject to available profit in the Other comapnies to set of against.

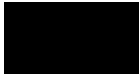
-----ANSWER-31-ABOVE-----

-----ANSWER-32-BELOW-----

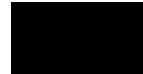
Answer-to-Question- _32_

- * When Vyserys LTD sold the building to Danerys LTD this transfer would have taken place at no gain / no loss as they are in Capital Group.
- * The cost of the Vyserys LTD will become the base cost for the Danerys Ltd at the time of sale.
- * on 1st November 24, Vyserys LTD sold the shares in Danerys LTD within 6 years of making an Intra-Group transfer. Hence, Degrouping charge will arise.
- * Degroup charge will be the gain which would have arisen if the transfer would have taken place at Market Value and not at No gain no loss.
- * This degrouping charge will be added to the consideration received by Vyserys LTD. If Substantial Shareholding conditions are met and the gain on sale of shares is exempt, degrouping charge will also be exempt.
- * Ignore the future value of the shares and building.

-----ANSWER-32-ABOVE-----



Institution **CIOT - CTA**
Course / Session **Awareness**
Extegrity Exam4 > 25.5.7.64



Exam Mode **OPEN LAPTOP + NETWORK**
Section Page **14** of **17**

-----ANSWER-33-BELOW-----

Answer-to-Question- _33_

-----ANSWER-33-ABOVE-----

-----ANSWER-34-BELOW-----

Answer-to-Question- 34

Rollover releif must have claimed when purchased the Office building.		
The base cost of busilding	800,000	
LesS: Rollover Releif	200,000	
Base cost	600,000	
Proceeds	1,100,000	
Less: Base cost	600,000	
Gain before relief	500,000	
Less: Rollover relief	300,000	
Gain after releif(Retained proceeds)	200,000	

-----ANSWER-34-ABOVE-----

-----ANSWER-35-BELOW-----

Answer-to-Question- _35_

Yes, both the times shares were hold for 12 months and more.
If the company share more than 5% of the share in a comapny it will qualify for the SS
Exemption.

-----ANSWER-35-ABOVE-----

-----ANSWER-36-BELOW-----

Answer-to-Question- _36_

1) Sansabran is a small comany as it's profit is not aboeve 1.5 Million. it will not have to pay tax under isntallment for March 2024. The payment of CT will be on 1 st january 2025. 9 motnhs and 1 day after the AP ends.

2)The company is large for the period end 31st Decemebr 2024. It will need to pay CT under installment. Hwoever the comapny was not large in the previous years so it can make an election to not pay CT by instlamment. It can pay CT by 1st October 2026.

-----ANSWER-36-ABOVE-----

Institution **CIOT - CTA**
Course **Awareness**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID

Count (s)	Word (s)	Char (s)	Char (s) (WS)
Section 37	55	258	278
Section 38	59	261	281
Section 39	54	269	293
Section 40	57	312	340
Section 41	45	210	254
Section 42	102	495	600
Section 43	52	207	266
Section 44	13	82	86
Section 45	47	217	252
Section 46	54	251	291
Section 47	57	280	313
Section 48	108	436	537

-----ANSWER-37-BELOW-----

Answer-to-Question- _37_

		NSI	SI
		£	£
Employment Income		64,000	
Interest			1,000
Child benefit		936	
		64936	1,000
Less: PA		12570	
Net		52,336	
37,700 @ 20%	7540		
18,666 @ 40%	7466		
500 @ 0	0		
500 @ 40%	200		
Total Tax	15,206		
Child benefit			
Adjusted Net income	65,000		
Scale Back child Benefit (65,000-60,000)/20 0*1%	25%		
Available Benefit	1248*25%	312	936

-----ANSWER-37-ABOVE-----

-----ANSWER-38-BELOW-----

Answer-to-Question- _38_

		NSI	Div
Income		5,000	
Div			105,000
Less: PA		5,000	2,570
		0	102,430
Tax			
500 @ 0%	0		
37,700 @ 8.75%	3299		
64, 230 @ 33.75%	21,678		
Total	24,977		
Basic Rate band	37,700		
Gift Aid	500		
New Band	38,200		
PA Avialable			
Adjusted net income	110,000		
Less:	100,000		
Excess Divided by 2	10,000/2	5000	
PA	12570		
Less: Excess	5,000	Available	7570



Institution **CIOT - CTA**
Course / Session **Awareness**
Extegrity Exam4 > 25.5.7.64



Exam Mode **OPEN LAPTOP + NETWORK**
Section Page **4** of **17**

-----ANSWER-38-ABOVE-----

-----ANSWER-39-BELOW-----

Answer-to-Question- _39_

Laura's Class 1 Secondary	Director We take annual income		
Income	5000 *12	60,000	
Bonues	10,000	10,000	
Total Earnis for Class 1 Secondary		70,000	
Class 1 secondary (70,000-9100)= 60,900	@ 13.8%	8404	8404
Beatrice			
(2000-1048)*12	11,424 @ 6%	685	685
Class 1A			
Bonus	250		
Private Medical Cover	1,200		
	1,450		
@ 13.8%	200		
Class 1A	200		

-----ANSWER-39-ABOVE-----

-ANSWER-40-BELOW-

Answer-to-Question- _40_

[illegible]



-----ANSWER-40-ABOVE-----

-----ANSWER-41-BELOW-----

Answer-to-Question- _41_

Travel From Home to Bukeep is not allowed.

Travel from Home to the client is allowed for deductions.

Cost of sweet and small toys - this may be cosidered as client entertainment which is not allowed for deduction however Bukeep can reimburse it the cost.

-----ANSWER-41-ABOVE-----

-----ANSWER-42-BELOW-----

Answer-to-Question- _42_

Option One - Residential

* Alice cannot claim expenses incurred on the replacing a boiler for the residential property. Also, she cannot claim purchase of the furniture .

* SBA is not allowed on residential property.

Option Two - Commercial

Alice, can claim Capital allowance for the commercial property.

Furniture and Fitting can be claimed under AIA nd will get 100% Relief.

Also, SBA can be claimed on the Qualifyig purchase of the building. If purchased unused form the Developer then she can claim SBA for 33 1/3 years for 3% on straight line basis. SBA is allowed she is using accrual system.

-----ANSWER-42-ABOVE-----

-----ANSWER-43-BELOW-----

Answer-to-Question- _43_

Third Overseas test will be applicable here:

- * Spend Less than 91 days - Ben spends 21 days.
- * Ben worked only for 5 days in in the UK
- * There is no significant break as he was in UK only to visit family and friends.

Ben meets third automatrice overseas test.

-----ANSWER-43-ABOVE-----

Answer-to-Question- _44_

[illegible]



Institution **CIOT - CTA**
Course / Session **Awareness**
Extegrity Exam4 > 25.5.7.64



Exam Mode **OPEN LAPTOP + NETWORK**
Section Page **12** of **17**

-----ANSWER-44-ABOVE-----

-----ANSWER-45-BELOW-----

Answer-to-Question- _45_

On Grant

There is a tax implication on the grant of the EMI.

On excercise

There is no Income tax implication on Excercise as they were excersided withing 3 years and 20 years from the Grant.

On Sale

Proceeds	200*1000	200,000	
Less: Cost	90*1000	90,000	
Gain		110,000	

-----ANSWER-45-ABOVE-----

-----ANSWER-46-BELOW-----

Answer-to-Question- _46_

Car

Sale of car is exempt from Capital Gain

Rental Propoerty

Sold to connected person so the transfer will take place at no gain no loss.

Painting

Sold for Less than 6,000 it is exempt from CGT.

Jewellery

Proceeds	7,500		
Cost	2,000		
Gain	5,500		
5/3 will apply			
5/3(7500-6000)	2500	Lower gian will apply here.	

-----ANSWER-46-ABOVE-----

-----ANSWER-47-BELOW-----

Answer-to-Question- _47_

Period of Ownership	10 Years		
Period of occupation	8 years	3 years for any reason.	
PRR is no available as she did not occupy proeproty after the deemed occupation.			
Proceeds	670,000	Basica rate band	37,700
Less: Cost	320,000	(48,000-12570)	35,430
Gain	350,000		2,270
Less: AEA	3,000		
Taxable Gain	347,000		
2,270 @ 18%	409		
344,730 @ 24%	82735		

-----ANSWER-47-ABOVE-----

-----ANSWER-48-BELOW-----

Answer-to-Question- _48_

		NS	Div
Income		200,000	
DIv			40,000
No PA Available			
33,700 @ 20%	7540		
87,440 @ 40%	34976		
74,860 @ 45%	33,687		
500@ 0%			
39,500 @ 39.35%	15,603		
Tax Liability	91,806		

- * Flat penalty of £100 on the late filling of return. = £100
- * Daily penalty of £10 can be levied by HMRC for upto 90 Days.
- * Further penalty of 5% as it was 6 motnhs late. = $91,806 * 5\% = £4590$
- *

As the return was Deliberate but not concealed.

HMRC can levy maximum 70% and Minimum 20% if he makes and Unprompted disclosure. The penalty will be base don the quality of the disclosure.



Institution **CIOT - CTA**
Course / Session **Awareness**
Extegrity Exam4 > 25.5.7.64



Exam Mode **OPEN LAPTOP + NETWORK**
Section Page **17** of **17**

-----ANSWER-48-ABOVE-----

Institution **CIOT - CTA**
Course **Awareness**

Event **NA**

Exam Mode **OPEN LAPTOP + NETWORK**

Exam ID

Count (s)	Word (s)	Char (s)	Char (s) (WS)
Section 49	20	122	129
Section 50	40	183	209
Section 51	48	257	279
Section 52	130	612	738
Section 53	38	210	217
Section 54	56	251	284
Section 55	52	243	272
Section 56	41	191	219
Section 57	43	242	261
Section 58	104	503	620
Section 59	80	357	435
Section 60	68	283	354

-----ANSWER-49-BELOW-----

Answer-to-Question- _49_

Trading Profit		80,000	
Add:			
15% Leasing cost	720		
Fine	1,500		
Part of premium (20,000- (2%(10-1)*20,000/ 10	1640		
		3860	
Taxable Tradig profit		83,860	

-----ANSWER-49-ABOVE-----

-----ANSWER-50-BELOW-----

Answer-to-Question- _50_

1) Under Actual	£		
Fuel Cost	2100		
Parking Charges	320		
Total Expenses	2,420		
Capital allowance may be claimed for the cost of the car.			
2) Under Flat Rate	NO CA		
- Expenses (12,000*45p)	5400		
Add: Parking Charges	320		
Total	5,720		

-----ANSWER-50-ABOVE-----

-----ANSWER-51-BELOW-----

Answer-to-Question- 51

Cash basis	£	£	Notes
Minal			
Invoice paid		36,400	37,000-600
Less: Purchases		7,800	8000-200
Purchase of Laptop		840	1200*70(Business USeonly)
Busines Use of Home		312	130 hrs monthly
Taxable Profit		27,448	
Nimra			
Income	1,900		
Less: Trading Allowance	1,000		
Income	900		
It is beneficial to claim trading allowance			

-----ANSWER-51-ABOVE-----

-----ANSWER-52-BELOW-----

Answer-to-Question- _52_

Roof of the Factory

The roof of the factory will be allowed Capital Allowance under speacial pool at 6%. However, is he has Annual Investment allownace he should priotise AIA before Special Pool.

Air conditioned

Air COnditioned is an integral feature and will be allowed for Capital Allowance. AIA should be given priority over SPecial rate pool.

Plot of Land

No CA is available for the Land.

Contructions cost = 140,000

Since, Rajesh follows the accruel system he can claim SBA at the rate of 3% on a straigh line basis. At any time, if Rajesh stops using the warehouse it will fall in disuse however SBA can be claimed for the remaing periodn. At Any point, Rajesh starts using it for the residential purpose furhter SBA cannot be claimed.

-----ANSWER-52-ABOVE-----

-----ANSWER-53-BELOW-----

Answer-to-Question- _53_

	Total	Adam	Malcom	Travis
Profit	80,000			
Less: Salary	100,000		55,000	45,000
Balance	-20,000			
Distribution		-4000	-8000	-8000
Total		-4000	47,000	37,000
Notioanl Loss Distribute (47:37)			-2238	-1762
Total		0	44,762	35,238
Class 4 NIC				
35238-12570 * 6%	1360			

-----ANSWER-53-ABOVE-----

-----ANSWER-54-BELOW-----

Answer-to-Question- _54_

	20/21	21/22	22/23	23/24	
Profit	39,0000	45,000	60,000	42,000	
Claim under FIFO					
	39,000				
		45,000			
			51,000		
Net Table Income	0	0	10,000	42,000	
Loss Memo					
Loss 24/25	135,000				
Less:					

S.64 Claim should be maide by first Anniversary from the Due date = 31 January 2027

S. 72 Loss the claim should be made by 31 January 2027

-----ANSWER-54-ABOVE-----

-----ANSWER-55-BELOW-----

Answer-to-Question- _55_

Loss of March 2025 =

Loss Memo			
Loss	50,000		
Less:			
CY Claim	10,000		
PY Claim	8,000		Only agianst Trading income Proeorty will be covered by PA.
Balance	32,000		
Make S.71 cliam agianst Capital gain	16,000		
Balance C/f	16,000		
Gain	26,000		
Less: Bought forward loss	7,000		
AEA	3000		
S.71 Loss	16,000		
Gain	0		

-----ANSWER-55-ABOVE-----

-----ANSWER-56-BELOW-----

Answer-to-Question- _56_

Gift to Connected perosn would have taken place at No Gain no Loss.

Base Cost for Hanna

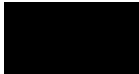
MV	200,000		
Less: Cost	40,000		
Gain	160,000	Frozen if joint election made.	
Base Cost for Hanna	200,000		
Less: Frozen Gain	160,000		
Base cost	40,000		

-----ANSWER-56-ABOVE-----

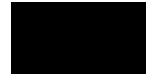
Answer-to-Question- _57_

[illegible]

-----ANSWER-57-ABOVE-----



Institution **CIOT - CTA**
Course / Session **Awareness**
Extegrity Exam4 > 25.5.7.64



Exam Mode **OPEN LAPTOP + NETWORK**
Section Page **11** of **14**

-----ANSWER-58-BELOW-----

Answer-to-Question- _58_

Profits Prior to Debbie

- * Joseph and David will calculate the profit up to Debbie joins the partnership. The profits will be tme apportioned assuming equal amount was earned throughtout the years.
- * Joseph and David wil share this profit.

Debbie Joins

- * From 1 September 24, Debbie joins the partnership. SHe will share the remiaing profits with Joseph and David. SHe will receive profit only from the 1st Septemeber.
- * Debbie will be allowed to deduct the interest paid on cash introduced at the time of joining partnership as it is allowable deduction.
- * Debbie's gain on sale of building will be Frozen.

-----ANSWER-58-ABOVE-----

-----ANSWER-59-BELOW-----

Answer-to-Question- _59_

Ben

Profit Seeking Motive - Ben has profit seeking motive so likely trading.

Frequency - If Ben is doing frequently it is likely it's going to be trade.

Alteration of Modification- Before selling Ben is modifying them to generate higher price. this is likely a trading.

Jason

Frequency - This looks like a one of transaction so not a trade.

Gap - There is a significant gap in buying and selling them for a profit. SO not like a trade.

-----ANSWER-59-ABOVE-----

-----ANSWER-60-BELOW-----

Answer-to-Question- _60_

* The balancing payment for 23/24 will be £5,880

* Tax for 23/24 should have been paid by 31st Jan 2025. If it was paid more than 30 day late so 5% penalty will be applicable. = **294 Penalty**

Kathy will also need to pay the installment for the 24/25 on 31st january. 1,234. There is no penalty on the late payment interest but interest will be charged.