

ASSESSMENT BASIS FOR NOVEMBER 2025 APS IHTTE PAPER

Structure

A simple pass or fail will be awarded.

Identification and Application

The following are the relevant topics for assessment with their weightings:

1	15%	Identify the IHT and CGT implications of a cash distribution in November 2024 and calculate the IHT liability.
2	20%	Identify that a charge to IHT will occur on the Trust's ten-year anniversary and that it will be based on the value of assets in the Trust net of BPR or APR. Identify the availability of BPR for the Beechcroft Ltd shares in the Trust.
3	20%	Calculate the IHT liability on the ten-year anniversary both before and after the proposed cash distribution. Identify the IHT implications of a distribution in the first three months following a ten-year anniversary.
4	15%	Identify the IHT and CGT implications of an appointment of Beechcroft Ltd shares to Lily including the availability of IHT BPR and CGT holdover relief under s.260 TCGA 1992 on the assets where there is an immediate charge to IHT. Calculate the CGT liability and identify the implications of a holdover claim.
5	10%	Identify the IHT and CGT treatment of a transfer of the shares in KA Motors Ltd, including the availability of CGT relief under section 165 TCGA 1992 and IHT BPR. Identify the implications of Margie's death within seven years of the gift.
6	20%	Identify the possibility of varying the estate of Owen Briggs with retrospective IHT and CGT treatment and explain the implications of such a variation.

A grade of 0,1,2,3, or 4 is awarded to each topic. The weighting is applied to that grade to produce a weighted average grade. This is then converted to a final absolute grade by rounding up or down to the nearest grade. Scores in the range 2.5 to 3.49 will be a grade 3.

Relevant Advice and Substantiated Recommendations

The following are the topics for assessment with their weightings:

1	50%	Advice and recommendations on whether to make a cash distribution from the Trust to Rose immediately or whether to wait until March after the Trust's ten-year anniversary.
2	25%	Advice and recommendations on which of KA Motors Ltd and Beechcroft Ltd to transfer from Margie/distribute from the Trust from an immediate tax perspective.
3	25%	Advice and recommendations on which of the shareholdings KA Motors Ltd and Beechcroft Ltd to transfer from Margie/distribute from the Trust based on longer term tax implications.

The final grade will be determined for this skill in the same way as for Identification and Application.