

APS OMB Assessment narrative

Structure

A simple pass or fail will be awarded.

Identification and Application

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

1	35%	Loss relief
		<i>Early years, loss c/b extended, limitation of sideways relief (general and specific to LLP) Use of company b/f losses, change of control, forfeit on trade acquisition. Personal loss relief on failure, share loss relief against income, capital loss relief on loans</i>
2	25%	Capital Gains Tax on sale
		<i>Possible BADR, not available to Fran, Possible Investor relief for Fran</i>
3	10%	Personal tax reliefs for investors: EIS/SEIS and Investor relief
		<i>EIS/ SEIS not available on acquisition of an existing business Investor relief may be available for Fran Personal tax relief for interest paid on any borrowed funds</i>
4	30%	Tax relief on acquired assets
		<i>Embedded plant and machinery, allowances must be identified and claimed by vendor, s198 election, use of b/f trading losses</i>

Relevant Advice and Substantiated Recommendations

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

1	35%	Acquisition of shares or trade and assets
		<i>Adoption of historic risks and liabilities on share purchase, need for warranties and due diligence, no tax relief on share purchase, tax relief on trade and assets, capital allowances elections, use of brought forward losses, Stamp Duty on shares and SDLT on property purchase, TOGC and reduced SDLT charge</i>
2	35%	Operating structure
		<i>Partnership, LLP or limited company, limitation of liability, exposure to historic liabilities, transparent taxation of partnership and LLP, retention of profits in limited company, use of losses in early years</i>
3	30%	Funding by share capital or loans
		<i>Flexibility of loan capital and easy draw-down, possible interest charge on loan capital, Income Tax relief on borrowed funds. Income Tax relief on losses on share capital but only CGT relief on loans. Minimise share capital and maximise loans. Make sure none of Fran's borrowing is repaid within three years for Investor Relief purposes.</i>