

ASSESSMENT NARRATIVE – TAXATION OF LARGER COMPANIES AND GROUPS November 2022

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%	Commercial considerations for the purchase of Beneke Orr Ltd, such as the potential dilution of existing shareholdings of Baffin Hood plc and Capital Gains Tax implications for the vendors that could affect the negotiated consideration price.
2	20%	Interest costs and impact on corporate interest restriction position of Baffin Hood group.
3	20%	Using carried forward trading losses of Beneke Orr Ltd.
4	45%	Identifying tax implications of options for integrating M&D Garages into the Baffin Hood group.

A grade of 0,1,2,3, or 4 is awarded for 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. Thus, 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	40%	Advice and recommendations on the form of consideration for the acquisition of Beneke Orr Ltd.
2	20%	Advice on how to ensure trading losses of Beneke Orr Ltd may be utilised.
3	40%	Advice and recommendations on how to structure the acquisition of M&D Garages.

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