

MAY 2025

APPLICATION AND PROFESSIONAL SKILLS – TAXATION OF LARGER COMPANIES AND GROUPS

ASSESSMENT NARRATIVE

Structure

A simple pass or fail will be awarded.

Identification and Application

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

1	10%	Discuss method of pushing finance down to operating and holding companies
2	10%	Consider cost of equity or loan investment
3	20%	Purchase assets of or shares in Batteries Nord Srl
4	35%	Restrictions on tax relief for interest
5	25%	Change of ownership of Corline plc and restriction of losses

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	30%	Whether to buy shares or assets of Belgian battery company
2	40%	Whether to borrow money or issue new share capital
3	30%	Whether to take interest deductions in UK or overseas

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