

The Chartered Tax Adviser Examination

May 2024

Application and Professional Skills

VAT and Other Indirect Taxes

Pre-seen information

You may print this copy of the pre-seen information but you will not be permitted to take this into the test centre. It will be contained in the final Exhibit in each question.

Pre-seen information

Client background

ABundle Ltd.
Private limited company incorporated on 1 April 2014.
Registered under Company Number 02333444.

Share ownership

The share capital of the company is divided into 1,000 ordinary shares of £1 each, owned as follows:

<u>Name</u>	<u>Date of birth</u>	<u>Position held</u>	<u>Number of shares</u>
Bernard Eric Krell	1 May 1963	Chief Executive Officer	800
Jennifer Miriam Krell (wife)	16 June 1972	Company Secretary	100
David Raphael Krell (son)	12 December 1995	Director	50
Minnie Bernice Krell (daughter)	7 October 1998	Director	50

Registered office and principal place of business

Rake House
Punter's Wharf
Deal Island
Wealshire
WE1A 4CE

Contact Details

07271 403 807
bernie@abundle.co.uk

Client background

ABundle Ltd was founded by Bernie Krell, who is Chief Executive Officer. The company is a gaming provider operating its own internet platform which supplies casino-type games (e.g., Roulette, Blackjack and Wheel of Fortune) to individual players resident exclusively in the UK.

It holds a Remote Operating Licence issued by the Gambling Commission.

Taxation

UTR 404046782.

ABundle Ltd is UK-resident and chargeable to UK Corporation Tax.

It does not currently make taxable supplies and is not registered for VAT.

It is registered with HMRC for Remote Gaming Duty. Returns are made for three-monthly accounting periods ending on the last day of March, June, September and December.

Note

Remote Gaming Duty is currently charged at the rate of 21% of "remote gaming profits" (calculated as amounts staked in each accounting period less winnings paid out in that period).

Continued

Extracts from the draft Financial Statements for the year ended 31 March 2024Profit and loss account

	<u>Year ended 31</u> <u>March 2024</u> £'000	<u>Year ended 31</u> <u>March 2023</u> £'000
Turnover	3,500	2,800
Cost of sales	<u>(815)</u>	<u>(645)</u>
Gross profit	<u>2,685</u>	<u>2,155</u>
Distribution costs	(150)	(135)
Administrative expenses	(250)	(198)
Bad debts	<u>(10)</u>	<u>(16)</u>
Operating profit	2,275	1,806
Interest receivable and similar income	11	6
Interest payable and similar charges	<u>(20)</u>	<u>(21)</u>
Profit on ordinary activities before taxation	2,266	1,791
Less:		
Taxation	<u>(1,131)</u>	<u>(793)</u>
<u>Profit on ordinary activities after taxation</u>	<u>£1,135</u>	<u>£998</u>

Balance sheet

	<u>31 March 2024</u> £'000	<u>31 March 2023</u> £'000
Fixed assets		
Premises	200	192
Plant and machinery	75	70
Fixtures and fittings	<u>100</u>	<u>91</u>
	375	353
Current assets		
Stock	45	38
Debtors	450	395
Cash at bank and in hand	<u>1,250</u>	<u>985</u>
	1,745	1,418
Creditors falling due < 1 year		
Trade creditors	10	13
Interest creditor	4	10
Corporation Tax	566	340
RGD	<u>140</u>	<u>150</u>
Total current creditors	720	513
Net current assets	1,025	905
Creditors falling due > 1 year		
8% debentures	16	16
<u>Net assets</u>	<u>£1,384</u>	<u>£1,242</u>
Capital and reserves		
Ordinary share capital	1	1
Profit and loss account	1,383	1,241
Shareholders' funds	<u>£1,384</u>	<u>£1,242</u>