APPLICATION AND PROFESSIONAL SKILLS - TAXATION OF INDIVIDUALS

MAY 2021 ASSESSMENT NARRATIVE

Identification and Application

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

1	25%	Issues relating to finance costs
2	25%	Rental vs employment income and deductible expenses
3	10%	Main residence issues
4	20%	FHL issues and Business Asset Disposal Relief
5	20%	Other issues including High Income Child Benefit Charge, receipt of income from connected parties, IHT and SDLT

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. The total of these scores 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 the purchase of 7 High Street or the refurbishment of 2 Orchard Road should be funded by mortgage
2	30%	Whether Julia Anderson should stay at 7 High Street
3	10%	Recommendations relating to 2 Orchard Rd
4	10%	Whether a main residence election should be made
5	20%	Advice relating to child benefit, letting a room to Julia's son, and any other issues

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