

The Chartered Tax Adviser Examination

May 2021

Application and Professional Skills

Taxation of Individuals

Pre-seen information

You may print this copy of the pre-seen information for your exam, however it will be contained in the final Exhibit in each question.

Pre-seen information

Julia Anderson – Background Information

Client name: Julia Anderson
Date of birth: 5 April 1963
Marital status: Single, not living with a partner
Country of birth: England
Domicile: England & Wales
Tax Residence: England
Employer: WeLoveWork.com
Salary: £40,000 per annum
Benefits: Medical insurance (£1,300 per annum)
Other income: Child Benefit (£21.05 per week for first child and £13.95 per week for subsequent children)

Children: Steven, age 18
Anna, age 13
Jessica, age 13

Will: No Will

Julia Anderson – Asset Schedule at 31 March 2021

| <u>Asset</u> | <u>Base cost</u> | <u>Notes</u> |
|--------------------------------|------------------|---|
| 15 Round Road, Bristol | £ 250,000 | Purchased May 2004. Main residence for entire period of ownership. Owned outright with no mortgage. |
| 2 Orchard Road, Bournemouth | 100,000 | Inherited in May 2004 at probate value of £100,000. Let to long term tenants since May 2004. Owned outright with no mortgage. |
| Stocks and shares ISA | N/A | Current market value £250,000. |

Julia Anderson – 2020/21 Tax Return

Tax Calculation

| | |
|-------------------------------------|-----------------|
| | £ |
| Pay from all employments | 40,000 |
| Plus benefits and expenses received | <u>1,300</u> |
| Total from all employments | 41,300 |
| Profit from UK land and property | <u>7,200</u> |
| Total income received | 48,500 |
| Minus Personal Allowance | <u>(12,500)</u> |
| Total income on which tax is due | <u>36,000</u> |
| Income tax charged | |
| Basic rate £36,000 x 20% | <u>7,200</u> |