

The Chartered Tax Adviser Examination

November 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 name

Andrew Dixon

Date of birth

11 April 1960

Home address

17 Marland Street
London
W3X 7RP

Contact

Tel: 07533 788 947

Email: andrew@capital3architectsllp.co.uk

Personal Tax Client background

Andrew is a successful architect and property developer, and has worked in both sectors for many years.

His principal source of income is as a member of Capital 3 Architects LLP, a role he has held since 2003. He receives a 15% profit share.

His property development activities are carried on as a partner in DQS Partners, a general partnership. He has a one-third share of the partnership's profits and assets. He has a long-standing relationship with the other partners: Barry Quirke, who is an experienced building contractor; and with Chandri Shah, who is a quantity surveyor. Each of the partners contributes their skill and experience to the partnership's activities.

As a partner in DQS Partners, Andrew is also a one-third shareholder in, and director of, DQS Developments Ltd.

DQS Partners and DQS Developments Ltd are not clients of this firm, and nor is Capital 3 Architects LLP. We are advised that all three entities are VAT-registered separately, and that Andrew is not responsible for filing VAT returns, etc., for any of the entities.

Andrew has been married to Estelle Dixon since September 1992, and they have two adult children. Estelle is very wealthy in her own right with substantial income and capital gains in her own name. Andrew and Estelle own their current London address jointly. Estelle is not a client of the firm.

Andrew also has a personal property portfolio, held in his sole name, the details of which are as follows:

<u>Property</u>	<u>Address</u>	<u>Family Home?</u>	<u>Date of Acquisition</u>	<u>Date Rental Began</u>	<u>Cost of Acquisition</u> £
1	15 Rivers Mews, London	Until November 2023	April 1996	November 2023	180,000
2	73 Parks Street, Kidderminster	Never	July 2004	August 2004	244,000
3	11 Gulliver Avenue, Worthing	Never	March 2011	July 2011	268,000
Total					<u>£692,000</u>

Continued

Taxation

UTR: 70812 44689

Andrew is not VAT-registered.

Andrew is UK-resident and domiciled and so his worldwide income and gains are subject to UK tax. Extracts from his draft self assessment tax return for 2023/24, with comparatives for 2022/23 are as follows:

<u>Income Category</u>	<u>Source</u>	<u>2023/24</u>	<u>2022/23</u>
		£	£
Trading Income	Capital 3 Architects LLP	290,000	275,000
	DQS Partners	47,000	44,000
Rental Income	DQS Partners	93,000	87,000
	Personal property portfolio	37,000	22,000
Investment Income	DQS Partners Bank Interest	6,500	7,000
	Personal Bank Interest	3,200	3,500
	Dividend from DQS	11,000	13,000
	Developments Ltd		
Total Income		<u>£487,700</u>	<u>£451,500</u>

No capital gains were realised personally in either year.

Andrew also has substantial investments in a Stocks and Shares ISA which generates significant tax-free income and gains.