

Practice and Revision Kit

November 2016 Edition

For exams in June 2017, September 2017, December 2017 and March 2018

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Page	Details
21	In scenario, item (3) under heading Eu should read 'The tax written-down value of the capital allowances main pool at 1 July 2018 was £5,883. On 15 September 2018 Eu purchased office furniture for £2,400. All of the items included in the main pool were sold for £5,175 (all for less than cost) on 30 September 2018.'
44	In scenario, first sentence under heading Bon should read 'Bon has been the sales director of Alphabet Ltd since 1 February 2017, having not previously been an employee of the company although she had been a shareholder since 1 March 2015.'
112	The answer to question 65 should be £15,200. The basic rate limit is $\pounds(32,000 + 49,000) = \pounds81,000$ so all of Anne's taxable income is within the basic rate band. Her income tax liability is therefore $\pounds76,000 \times 20\% = \pounds15,200$.
139	In computation of the maximum gross personal pension contribution possible in 2016/17 for John 2016/17 (tapered) should read 'Adjusted income = $\pounds(212,573 + 18,000 + 12,000) = \pounds242,573$ which is at least $\pounds210,000$ so minimum annual allowance applies'. This does not change the amount of the annual allowance for 2016/17 which remains $\pounds10,000$.
150	In question 115, first sentence of the explanation should read 'Bon only became a director on 1 February 2017, so this qualifying condition was not met for one year prior to the date of disposal.'