



## **Workbook for exams in June 2022 - March 2023**

### **Introduction - Format of the exam, p xv**

The final sentence in the table relating to Section B 'One question will have five marks on ethical issues.' needs to be deleted. Ethics will only appear in section A for five marks in total and this sentence from section A has been erroneously repeated here for part B.

### **Chapter 16, Activity 1, p377**

The sentence at the top of the page should refer to integral features as £506,000 not £206,000. The rest of the question and answer remain unchanged.

### **Chapter 23, s1.5 Special schemes, Cash accounting, p544**

The final row of the "cash accounting scheme" column should read 'Trader must cease to use the scheme once taxable supplies in the previous 12 months exceed £1.6 million.'

### **Chapter 25, Activity 1, p574**

The final paragraph at the bottom of p574 should state that 'Alpha Ltd also has one wholly owned overseas trading subsidiary, which does not have any UK permanent establishments.'

### **Essential reading (ER):**

### **Chapter 2 ER, sn 1.4.2 Marriage allowance, p618**

The transferable amount is for 2021/22 not 2021/2.

Further question practice:

Q29(b) Daley, p909

Notes (5) and (6) in the solution need to be amended as follows:

Loss of the year to 30 June 2024

- (5) It is proposed that a claim should be made for the loss of the year to 30 June 2024 to be relieved against current and prior period profits as far as possible and then the unrelieved loss carried forward and set against total profits in the following accounting period. This will result in relief of £37,620 being obtained as follows:

y/e 30.6.24	$(£14,000 - £1,000) = £13,000 \times 19\% = £2,470$ , with qualifying charitable donations of £1,000 being wasted
6m/e 30.6.23	$(£97,000 - £3,000) = £94,000 \times 19\% = £17,860$ , with qualifying charitable donations of £1,000 being wasted
y/e 31.12.22	$£60,000 \times 19\% = £11,400$
y/e 30.6.25	$£31,000 \times 19\% = £5,890$

- (6) Alternatively, if the whole loss of £202,000 is carried forward and a claim made to set it against total profits in the two following accounting periods, no QCDs are wasted and the relief obtained will be £28,380:

y/e 30.6.25	$£150,000 \times 19\% = £28,500$
y/e 30.6.26	$£52,000 \times 19\% = £9,880$

Carry forward relief therefore saves an additional £760 of corporation tax (£38,380 - £37,620).

However, the disadvantage of these claims is that the relief will be delayed compared to current period, carry back and carry forward claims.