

**ACCA Advanced Taxation  
(ATX – UK)  
ERRATA SHEET: November 2018**

**PRACTICE AND REVISION KIT For exams in June 2018,  
September 2018, December 2018 and March 2019**

Updated: 5 November 2018

**Question 10 Ash (12/12)**

**The sale of the two acres of land:**

Replace the second bullet point as follows:

- Ash sold 6 acres of the land for £42,000 on 1 August 2011.

**Answer to Question 6 Monisha and Horner (12/13) (amended)**

In part (a) replace the computation of income tax saving with the following:

*Income tax*

	£
<i>Half property income continued to be taxed on Monisha</i>	
Income tax saved in all 6 tax years	
$\text{£}((5,550 (W1) \times \frac{1}{2}) - (13,200 (W2) \times \frac{1}{2} \times 40\%)) \times 6$	810
<i>Half property income now taxed on Asmet</i>	
Income tax saved in first 5 tax years $\text{£}((5,550 (W1) \times \frac{1}{2}) - 0 (W2)) \times 5$	13,875
Income tax saved in final tax year $\text{£}((5,550 (W1) \times \frac{1}{2}) - 1,320 (W2))$	<u>1,455</u>
Total income tax saved	<u>16,140</u>

In part (a) replace the computation of total tax saving with the following:

*Total tax saving*

	£
Income tax saving	16,140
Capital gains tax saving	<u>18,176</u>
Total tax saving	<u>34,316</u>

**Answer to Question 14 Surfe (12/11) (amended)**

In the marking guide to part (b), replace the third line with the following:

Gift to children 1½

**Answer to Question 22 Sank Ltd and Kurt Ltd (06/12)**

In part (b) under the heading **Scientific research** replace the last paragraph with the following:

Kurt Ltd should consider claiming the 14.5% tax credit if cash flow is its main priority. Alternatively, if the company wishes to maximise the tax saved in respect of the expenditure, it should carry the loss forward; it will then save tax at 19% (provided it succeeds in becoming profitable).

## Answer to Question 36 Loriod plc group (06/11)

In part (b) replace the final computation with the following:

The maximum loss that should be surrendered to Elivar Ltd is set out below.

	£
In respect of:	
UK profits less qualifying charitable donations £(90,000 – 2,000)	88,000
Overseas profits £(120,000 – 101,053)	<u>18,947</u>
Maximum loss to be surrendered to Elivar Ltd	<u>106,947</u>

## Answer to Question 41 Jonny (Sep/Dec 15)

In part (a) (i) replace the computation of total income tax payable/refundable with the following:

### Total income tax payable/refundable

	<i>Notes</i>	<i>2018/19</i>	<i>2019/20</i>	<i>Total</i>
		£	£	£
Strong demand				
Taxable trading profit		5,750	19,200	
Income tax (payable)/refundable	1, 2	Nil	(1,540)	(1,540)
Weak demand				
Taxable trading profit/(loss)		(9,500)	300	
Income tax (payable)/refundable	3, 4	3,800	Nil	3,800

Also in part (a) (i) replace the computation of post income tax position with the following:

### Post-tax income position

	<i>Strong</i>	<i>Weak</i>
	£	£
Aggregate budgeted net profit of the first two trading periods (per email)	39,200	2,800
Aggregate income tax (payable)/refundable for the first two tax years	<u>(1,540)</u>	<u>3,800</u>
Budgeted post-tax income	<u>37,660</u>	<u>6,600</u>

## Mock Exam 3 Question 4

Amend title to:

### Achiote Ltd, Borage Ltd and Caraway Inc (Mar/Jun 17)

#### Achiote Ltd:

Replace the first bullet point as follows:

- Owns 100% of the ordinary shares in Borage Ltd and 80% of the ordinary shares in Caraway Inc.

#### Achiote Ltd – loan to Caraway Inc:

Replace the first bullet point as follows:

- Achiote Ltd made a loan of £100,000 to Caraway Inc on 1 April 2018