

General comments

Scripts were of wide ranging quality. Candidates lost marks by not answering the requirements of the question, and failing to complete calculations where required, however the large majority of candidates did attempt to answer all parts of all questions.

Question 1

Part 1

Where candidates identified that Investors' Relief was available in addition to Business Asset Disposal Relief, this question was very well answered. Candidates generally did well at applying the facts contained within the question against the conditions for relief.

Part 2

The Capital Gains Tax calculation was prepared well by most candidates. Many candidates failed to correctly split out the gain qualifying for BADR, even where some had identified there was limited lifetime allowance remaining in the first part of the question.

Question 2

Part 1

Generally well answered. Most candidates failed to calculate the IHT deduction against the assets, but otherwise Capital Gains calculations were done well.

Part 2

Generally well answered. Note where a question asks for filing and payment deadlines there are marks available for stating each of these, many candidates lost marks by only stating filing dates.

Part 3

The principal charge calculation was prepared well by most candidates. Many candidates failed to use this actual rate to calculate the exit charge for the Trust.

Question 3

Part 1

A mixture of quality of the answers here. A large number of candidates mistakenly identified this as a Gift with Reservation of Benefit. Please note where a question asks for calculations, examiners expect numerical workings within the answers.

Part 2

Most candidates passed this question by completing a correct inheritance tax calculation, however a lot of candidates failed to notice the release of reservation when Mr Lee moved into the property.

Part 3

Examiners' report

A well answered question. Marks were lost when candidates jumped straight to predicting a penalty rate rather than explaining any reasoning.

Part 4

A poorly answered question. A surprising number of candidates stated that they would report to HMRC without client permission!

Question 4

Part 1

While most candidates obtained basic marks by identifying that a Deed of Variation would be suitable and the requirements for the deed to be valid, many did not provide a full analysis of the position in relation to each asset, which meant very few candidates received high marks for this part of the question. Very few candidates identified the correct treatment for the charity donation.

Part 2

A wide range of quality in the answers to this part of the question. Marks lost in not applying BPR or the transferable nil rate band.

Question 5

Part 1

A well answered question. Marks were lost in relation to the chargeable event gain, but the remainder of the question was answered to a very good standard by most candidates.

Part 2

Quite a few candidates did not state the correct due dates for the payments on account. Many also did not add in the additional s496 liability when calculating the payments on account.

Part 3

Well answered by most candidates.